



Daily Report

China

FBIS-CHI-92-089
Thursday
7 May 1992

Daily Report

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General

Foreign Ministry Holds Weekly News Briefing

Yang Fuchang's Burma Visit

OW0705101992 Beijing XINHUA in English
1008 GMT 7 May 92

[Text] Beijing, May 7 (XINHUA)—A Chinese Foreign Ministry spokesman today mentioned a recent visit to Myanmar [Burma] by Vice Foreign Minister Yang Fuchang at a press conference here this afternoon.

He said that Yang had paid a visit to Myanmar from May 2 to 6 in accordance with the arrangements made at the consultations between the Foreign Ministry officials of the two countries.

During the visit, he noted, the two sides had exchanged views on bilateral relations and regional and international issues of common concern.

The Myanmar side briefed Yang on the question concerning border inhabitants of Myanmar and Bangladesh while the Chinese side appreciated the mutual understanding and cooperation between Myanmar and Bangladesh that had been reached on this issue, the spokesman added.

Tajikistan Situation Viewed

OW0705091892 Beijing XINHUA in English
0908 GMT 7 May 92

[Text] Beijing, May 7 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China expresses its concern over the current situation in Tajikistan, which is its neighboring country.

The spokesman said that China hopes that the parties concerned will settle the conflicts through negotiations so that the situation there will return to the normal at an early date.

The spokesman made these remarks when asked about China's comment on the blood conflicts in Tajikistan at a weekly press conference here this afternoon.

Mideast Peace Conference Discussed

OW0705101392 Beijing XINHUA in English
0945 GMT 7 May 92

[Text] Beijing, May 7 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China hopes that the Middle-East peace conference will achieve positive results at an early date.

When asked about China's comment on the result of the fifth round of talks of the Middle East Peace Conference at a press conference today, he said that although the talks failed to reach any specific agreement, all the participating parties had showed certain flexibility and come to discuss some substantive questions.

"We hope that the parties concerned will continue to adopt a practical and flexible position so as to enable the peace conference to achieve positive results at an early date on the basis of the U.N. resolutions," the spokesman said.

NPC Group To Visit Europe

OW0705084892 Beijing XINHUA in English
0839 GMT 7 May 92

[Text] Beijing, May 7 (XINHUA)—A delegation of China's National People's Congress, headed by its Standing Committee Vice-Chairwoman Chen Muhua, will pay an official good-will visit to Poland, Hungary and Austria from May 17 to June 2.

A Chinese Foreign Ministry spokesman made the announcement at a weekly press conference here today.

Kyrgyzstan President To Visit

OW0705082192 Beijing XINHUA in English
0810 GMT 7 May 92

[Text] Beijing, May 7 (XINHUA)—At the invitation of President of the People's Republic of China Yang Shangkun, President of the Republic of Kyrgyzstan Askar Akayev will pay an official visit to China from May 12 to 16, a Chinese Foreign Ministry spokesman announced at weekly press conference here today.

Indian President To Visit

OW0705080692 Beijing XINHUA in English
0757 GMT 7 May 92

[Text] Beijing, May 7 (XINHUA)—President of India, Ramaswamy Venkataraman, will pay a state visit to China from May 18 to 23 as guest of Chinese President Yang Shangkun, announced a Chinese Foreign Ministry spokesman at a weekly press conference here today.

Singapore Delegation To Visit

OW0705083992 Beijing XINHUA in English
0826 GMT 7 May 92

[Text] Beijing, May 7 (XINHUA)—A delegation of the Parliament of Singapore, headed by its speaker Tan Soo Khoon, will pay a good-will visit to China from May 11 to 21 at the invitation of the Standing Committee of the National People's Congress.

This was announced by a Chinese Foreign Ministry spokesman here today.

Mozambican Official To Visit

OW0705084392 Beijing XINHUA in English
0834 GMT 7 May 92

[Text] Beijing, May 7 (XINHUA)—Speaker of the parliament of Mozambique, Marcelino dos Santos, will pay

a good-will visit to China from May 12 to 22 as guest of the Standing Committee of the National People's Congress.

This was announced by a Chinese Foreign Ministry spokesman here today.

Jiang Zemin Meets Foreign Business Leaders

OW0605144992 Beijing XINHUA in English
1419 GMT 6 May 92

[Text] Beijing, May 6 (XINHUA)—The best method of combining the most beneficial operational mechanisms of planned and market economies was a major topic today during a meeting between Jiang Zemin, general secretary of the Communist Party of China, and foreign business leaders and economists.

Jiang and the foreign business leaders exchanged views on how best to improve the performance of the state-owned industrial enterprises, and how to integrate mechanisms of a market economy with a planned economy.

He stressed that China's state-owned industrial enterprises must be geared to the international market. Only in this way can there be broader prospects for development.

He said that China will learn and absorb advanced management expertise, which reflects the law of modern and massive production, of all nations, including the developed countries in the West.

Business leaders from a number of transnational corporations, including Pepsico and IBM of the United States; Goldman Sachs International Ltd of the United Kingdom; Sagi of France; The European Bank for Reconstruction; and Indian officials took the opportunity to present proposals on how to improve the performance of China's state-owned industrial enterprises and how to expand marketing in China.

Some 80 economists, business leaders, managers and government officials are attending the three-day international conference being held to discuss methods of improving the performance of China's state-owned industrial enterprises.

Earlier today, Vice Premier Zhu Rongji met with the foreign leaders and heard proposals on how to improve the economic performance of the enterprises in China. Zhu also provided a briefing on the country's current economic situation and economic reform activities.

Article Views Baker's CIS Visits, Diplomacy

HK0605124692 Beijing SHIJIE ZHISHI in Chinese
No 6, 16 Mar 92 pp 4-5

[Article by Chen Jiejun (7115 2638 6511): "Baker Visits CIS Twice"

[Text] To scramble for a sphere of influence in Central Asia James Baker endured the hardships of a long journey

and rushed to seven CIS member countries, established diplomatic relations with several Central Asian countries, and tried to keep up the momentum of U.S.-Russian relations that have been developing since the Camp David Summit.

From 10 to 18 February, U.S. State Secretary James Baker successively visited seven CIS member countries—Moldova, Armenia, Azerbaijan, Turkmenistan, Tajikistan, Uzbekistan, and Russia. This was Baker's second visit to the CIS in the past few months. From 16 to 18 December 1991, Baker shuttled between Russia, Kyrgyzstan, Kazakhstan, Byelarus, and Ukraine. As a matter of fact, he had visited all 11 CIS member countries merely two months after the Soviet Union's dissolution. According to PRAVDA, "personal efforts made by Baker are even greater than the sum of the whole Russian Foreign Ministry" in regard to "the cleanup of the late Soviet Union's ruins" and he "has worked even more actively than us."

In his first visit to the CIS last year, Baker forwarded five conditions for U.S. recognition of various Soviet Union republics' independence, including the "practice of democracy," "respect for human rights," and "promotion of private enterprise." On 25 December 1991, Bush delivered a televised speech on the Soviet Union's dissolution and declared recognition of the independence of all 12 [as published] former Soviet Union republics. However, he announced establishment of diplomatic relations with only six—namely, Russia, Ukraine, Byelarus, Kazakhstan, Armenia, and Kyrgyzstan—and he made clear that only when the remaining six countries—Moldova, Turkmenistan, Azerbaijan, Tajikistan, Georgia, and Uzbekistan have proved to "pursue responsible security policies and democratic principles" will the United States establish diplomatic relations with them.

The public notices that during his CIS second visit, however, Baker was obviously eager to develop relations with all CIS members, even though he stressed once again that "all the former Soviet republics which wish to establish diplomatic relations with the United States should observe the five principles." The United States even lowered its criteria and hastily decided on the matter when the above-mentioned countries had only made verbal promises. Following his visit, Baker announced on 24 February that U.S. embassies would be set up by 15 March in Moldova, which established diplomatic relations with the United States on 19 February; and Azerbaijan, Turkmenistan, Tajikistan, and Uzbekistan, which had yet to establish relations with the United States.

Viewing Baker's visit to the seven CIS countries and his hasty announcement of establishing relations with all CIS countries, the mass media hold that the United States intends to guide the development of all CIS countries by continuously capitalizing on their urgent need to establish relations with the United States and

receive aid from the West. Apart from this, the press holds that the United States also bears two points in mind:

First, the United States intends to prevent Islamic fundamentalist influence from gaining ground in Transcaucasia and Central Asia by taking the initiative to establish relations with the CIS countries. Since the Soviet Union's dissolution, Islamic countries like Iran, Afghanistan, Pakistan, and Saudi Arabia, have actively exerted influence over the CIS countries in Transcaucasia and Central Asia which have Muslim populations. In particular, Iran has opened governmental representative offices in places like Ashkhabad, agreed to supply petroleum to Turkmenistan and help the latter build petroleum processing plants, and promised to help Turkmenistan export its cotton and natural gas. Moreover, Iran is actively seeking to establish a Tehran-led "Muslim Common Market" in this region. The United States is very anxious about the founding of a Caspian Sea Economic Area and actions taken by Iran to draw Azerbaijan, Turkmenistan, and Tajikistan into the Economic Cooperation Organization (formed by Iran, Turkey, and Pakistan), worrying about the possibility that Islamic fundamentalists will seize the opportunity to extend their spheres of influence to various CIS countries in Central Asia. Hence, the United States decided to accelerate the pace of establishing diplomatic relations with CIS countries in Central Asia.

The CIS countries in Central Asia have indicated, to varying degrees, that they will satisfy the prerequisites for establishing diplomatic relations with the United States, because they want to obtain U.S. political and economic support and the West's economic and technical aid. Tajikistan has also expressly confirmed that its cooperation with Iran will be confined to economic affairs and will never involve ideology.

Second, the United States intends to guard against the outflow of the former Soviet Union's nuclear talent, put nuclear disarmament into practice, and keep the momentum of U.S.-Russian relations that have been developing since the Camp David summit. During his visit to Russia, Baker held two rounds of discussion with Yeltsin, and some progress was made in such issues as nuclear disarmament, nuclear nonproliferation, bilateral relations, and global security.

The nuclear disarmament issue: During the U.S.-Russian Camp David Summit held 1 February, Bush proposed reducing the number of nuclear warheads to 4,500 for each side, while Yeltsin proposed retaining merely 2,500 each. Both Baker and his Russian counterpart said after the summit that the reduction limits proposed by the two parties were "very close," and Baker added that the present crucial difference is the question of what types of warheads would be destroyed. With regard to this, Yeltsin said, "it concerns how to count multiwarhead weapons, including land-based and submarine-launched missiles." Neither disclosed how many nuclear missiles both sides would keep, but they agreed

to "abandon the complicated armament control system used for more than 20 years, through which expert groups from both countries are responsible for the negotiations," and to hold discussions directly between foreign ministers in a bid to promptly reach an agreement before Yeltsin pays an official visit to the United States this June.

Nuclear nonproliferation: To "help nuclear experts of the late Soviet Union shift nuclear energy to peaceful uses" and guard against the outflow of the former Soviet Union's talents, both parties agreed to set up an international exchange center in Russia which will be jointly run by Russia, the United States, and Germany. The United States will appropriate \$25 million for this project. Both parties also agreed to let the United States provide Russia with 25 tramcars and several hundred special containers to help the latter ship nuclear weapons to sites for storage and ultimate destruction.

Global security: Both parties will discuss the issue of installing a worldwide alert system to forestall any possible ballistic missile attack. Baker said both parties had begun to define a "new partnership concerning security matters," and "more important is that we have taken steps to promote defense cooperation between both countries."

Bilateral relations: Apart from \$3.75 billion of aid which had already been granted by the United States, Yeltsin also urged the United States to grant an additional \$600 million of loans to Russia for purchasing grain, and Baker guaranteed that this request would be discussed when he went back to Washington. Baker also reaffirmed U.S. willingness to help Russia become a member of the IMF and World Bank.

The public notices that there are still plenty of conflicts between the United States and Russia, even though their standpoints have come closer after the Moscow meeting. For instance, with regard to the issue of which types of nuclear warheads should be reduced, both parties stick to their own arguments and the real picture is that each of them intends to retain its own superiority but minimize the other's. For another example, when asked about his comments on Yeltsin's declaration professing that Russia's nuclear missiles would no longer be trained on the United States, Baker claimed that he understood the political meaning of this declaration, but he subsequently stressed "a series of technical problems, including those related to monitoring," have yet to be solved before the declaration could materialize. Obviously, the United States is still full of suspicion.

Beijing Notes Progress in World Health Strategy

OW0505192692 Beijing XINHUA in English
1724 GMT 5 May 92

[Text] Geneva, May 5 (XINHUA)—China has made much progress in implementing the "Health For All By

the Year 2000" (HFA) strategy in the past year, said the Chinese delegation chief at the 45th World Health Assembly.

He Jiesheng, deputy Chinese minister of health, said that China has made efforts in pushing forward reforms in the health field and the development of its health work.

The global strategy of HFA was mapped out by the World Health Organization in 1981.

About 75.4 percent of the total rural population benefited from the national safe water supply program for rural areas while 30.7 percent of it obtained access to tap water, he disclosed.

Meanwhile, about 500 million rmb [renminbi] yuan has been collected in the country and used for health infrastructure, and health care network.

"The goal of an 85 percent coverage rate has been reached for child immunization comprising four vaccines at levels of provinces and counties," he said.

Last summer 18 Chinese provinces, municipalities and autonomous regions including Anhui and Jiangsu in the east of the country were struck by catastrophic floods.

However, he said, "A historical success of no big epidemics in a year of big disasters was achieved."

The total number of new cases of category A and B infectious diseases between January and October in 1991 dropped by 0.75 percent and deaths by 36.8 percent compared with the same period in the previous year, he explained.

She said that there are nearly 800 million women and children in China and the Chinese Government has attached great importance to the health care work.

The infant mortality rate in China was reduced from 200 per 1,000 in 1949 to 51.05 in 1986, maternal mortality dropped from 1,500 per 100,000 in 1949 to 94.7 in 1990, and birth rate from 36 per 1,000 in 1949 to 21.06 in 1990.

The life expectancy, she said, has been increased to 69 years, and there were more than 3,000 mother and child health centers and 200,000 obstetricians, pediatricians and midwives, and 470,000 village birth attendants.

However, she pointed out that China is a developing country with a population of 1.1 billion. "We are well aware that we still face an arduous task in the full attainment of the strategic goal of health for all and other objectives," she said.

In China, large disparities in economic development, geographic environment, cultures, life styles and health habits exist across the country, she added.

The Chinese health deputy minister also stressed the role China has been playing in strengthening cooperations among countries in the field of health.

United States & Canada

U.S. Undersecretary of State Leaves for Visit

OW0605120092 Beijing Central People's Radio Network in Mandarin 0800 GMT 6 May 92

[From the "News" program]

[Text] According to this station's Washington-based reporter Wang Guoqing, U.S. Assistant Secretary of State Arnold Kanter [title as heard] left Washington for a visit to China yesterday [5 May].

This was disclosed by Margaret Tutwiler, spokeswoman of the U.S. State Department, during a press conference on the same day. She said that in meeting with Chinese officials, Kanter will emphasize the importance of bilateral relations and reiterate the significance of continued cooperation in international issues between the United States and China in the United Nations and other international organizations.

Commentary Links Los Angeles, Rights Abuses

OW0605062292 Beijing XINHUA in English 0554 GMT 6 May 92

[Text] Beijing, May 6 (XINHUA)—The violent incidents in Los Angeles once again prove that widespread racial discrimination and violation of human rights exist in the United States, a signed XINHUA commentary says.

The incidents are "an eruption stemming from the malaise of American social conflict and injustice," says the commentary, which came out on Tuesday.

The gap between rich and poor continues to widen and the black people lead their lives at the bottom of American society, struggling with unemployment and poverty.

Blacks represent 12.1 percent of the American population, yet their personal income manages to command only 7.8 percent of the country's total personal income.

Moreover, the commentary adds, the rates of unemployment and infant mortality among blacks have been much higher than national averages.

The economic recession beginning in July 1990 has been particularly hard for blacks and other ethnic minorities, while some whites were affected as well.

All these contributed to the three-day violence in Los Angeles in which nearly 50 people were killed and over 2,000 others injured.

Even though American law prohibits racial discrimination, blacks and other minorities could hardly have equal opportunities in the government, business, and education.

Cases of excessive force used against minorities have been increasing in recent years. In Washington D.C. they rose from 299 in 1985 to 410 last year.

It is ironic that in recent years some people in the United States have posed as the "guardians of human rights" and have used human rights issues to interfere in the internal affairs of other countries.

The exposure of the violation of black motorist Rodney King's human rights has undoubtedly embarrassed these people and exposed the serious racial discrimination and abuse of force in the United States.

Background of Violence Analyzed

OW0605143792 Beijing XINHUA Domestic Service
in Chinese 0704 GMT 6 May 92

[News Analysis by reporter Wei Guoqiang (7614 0948 1730): "Behind the Los Angeles Incident"]

[Text] Los Angeles, 5 May (XINHUA)—The largest and most destructive violence seen in the United States in several decades broke out last week in Los Angeles. The violence caused economic losses of nearly \$1 billion. The incident, which has drawn concern from all over the world, was seemingly caused by judicial injustice and racial discrimination; however, it actually has a more deep-rooted and complicated political and social background.

Los Angeles has a population of 3.4 million, over 1 million of which are Latin American immigrants. These Latin American immigrants, black people, and Asian immigrants, the people of color, comprise the majority of the city's population. Nevertheless, white people in the city have played an absolutely leading role in city politics and economics. The masses of black people and immigrants from Latin America and other countries are almost completely governed by others and discriminated against. Disputes between whites and people of color in the city have always drawn lots of attention. In 1965, a large-scale anti-racial discrimination struggle broke out in the city because a black youth was killed. Last March, after the beating of black man Rodney King by Los Angeles policemen was revealed to the public, local black people were extremely outraged. They had been waiting for a fair ruling from the judicial system, but attorneys for the defendants were successful in their bid to move the trial to magistrate's court in Simi Valley, a small town near Los Angeles. Simi Valley is a residential area where mainly white people live; none of the 12 jurors selected by the court was black. The trial's result naturally favored the policemen. This move, apparently motivated by racial discrimination, added to black people's indignation with white people.

Many shops were attacked during the riots. Almost all of these shops sold daily necessities; some were laundromats and restaurants. Almost all of the people committing looting and arson were Latin American immigrants and blacks. People hold that this phenomenon indicates

that these people were extremely impoverished and that the situation is thus closely linked to the current economic situation in the United States, especially in the Los Angeles area.

The current U.S. economic recession began in the summer of 1990. The country's unemployment rate hit 7.2 percent early this year. The recession has not completely ended. Economic recession in California has been the most serious in the United States; unemployment among black youths in some areas has been as high as 50 percent. The end of the cold war has seriously affected the U.S. weapons industry. Los Angeles, which has a well developed weapons industry, has naturally been affected, depriving many local residents of employment opportunities. Increases in the number of unemployed people has further shaken social stability. Black people and Latin American immigrants have always provided cheap labor; the economic recession has added to their impoverishment. As a result, these people had become increasingly dissatisfied. Therefore, after some people began to loot shops, a large number of impoverished black people and Latin American immigrants joined the looting mob, resulting in widespread violence.

The gap between the rich and the poor in the Los Angeles area ranks first in the United States. Here, some people are so rich that they live in mansions worth several or even more than \$10 million. The United State allows only 100 Britain-made Rolls Royce luxury limousines to be imported to the country each year. Almost all of these luxury limousines, each of which costs \$290,000, are bought by rich people in Los Angeles. Black people and Latin American immigrants, numbering in the millions in this city, where some people spend money like water, do not have some of the most basic needs of daily life. Schools in black areas are short of funds, educational quality is poor, and the dropout rate among black children is very high. These black children have difficulty finding jobs when they grow up because of their poor education; many of them have nothing to do and can only use negative means to take revenge on society. Therefore, the increasing gap between the rich and the poor is also an important cause of the recent riots.

Now, although the riots have subsided, the root cause of the conflict—racial discrimination and the increasing gap between the rich and the poor—still exists. Some people with insight who live here told this reporter that following the incident the government should work out a vocational training plan to increase the employment opportunities for the poor. Some people hold that the government should change its taxation policy, requiring that rich people pay more taxes to help the poor become better off. Nevertheless, people widely maintain that it will never be an easy thing to implement the aforementioned measures of "taking from the rich to help the poor." These people worry that more serious violent conflicts might erupt in the future.

Further on U.S. Violence

OW0705043692 Beijing XINHUA Domestic Service
in Chinese 1544 GMT 5 May 92

["Commentary" by XINHUA reporter Huai Chengbo (2037 2052 3134): "A Mirror of a Chronic Malady in American Society"—XINHUA headline]

[Text] Beijing, 5 May (XINHUA)—The world has been shocked by the large-scale violent incident in Los Angeles. This incident, triggered by racial discrimination, police brutality, and injustice, has caused a large number of injuries and deaths and a large amount of material losses.

The unjust ruling in the case of Rodney King, a young black man, touched off the Los Angeles incident. This incident caused chain reactions throughout the United States and rapidly spread to large- and medium-sized cities such as New York, San Francisco, Atlanta, Chicago, Washington, and Seattle. It has become the largest-scale expression of the struggle against racial discrimination in the United States since the 1960's. This incident has deep roots; "It takes more than one cold day for the river to freeze three feet deep." The Los Angeles incident was a large-scale explosion of the syndrome of contradictions and maladies in American society.

First, the gap between rich and poor continues to widen, and many people, including blacks, live at the bottom of American society, struggling with unemployment and poverty. The blacks, for example, compose 12.1 percent of the U.S. population of 250 million, but their personal income accounts for only 7.8 percent of the country's total personal income of \$3.6 trillion. Blacks' living standards in urban areas have continued to drop since the 1960's. Black unemployment and infant mortality are far higher than the country's averages. In commenting on the cause of the Los Angeles incident, Representative Charles Rangel, a black from New York, said: "A feeling of desperation had existed long before the occurrence of this tragedy. People dejectedly hold that there is no justice in this system and that there is no opportunity or hope here."

Second, the economic recession which started in July 1990 has been particularly hard for large numbers of blacks, other ethnic minorities, and many whites.

Third, as a result of the end of the cold war and the disintegration of the Soviet Union, the long-concealed internal contradictions among Western countries have begun to manifest themselves. Now the discontent of the masses in the Western countries is growing. To counter the Soviet Union in the cold war years the United States wantonly engaged in military aggression, spending more than \$3 trillion in total, which has weakened its national strength. As a result, the United States is declining. American people of all walks of life, including the whites, have hoped for "peace dividends," but this hope has not come true. Thus, people's discontent is growing with each passing day.

Like a mirror, the Los Angeles incident reflects the actual conditions of serious racial discrimination, police brutality, and the violation of human rights in the United States.

The United States is a multinational and multicultural society of immigrants. Although its laws do not permit racial discrimination—as a result of a protracted, indomitable struggle by blacks and other ethnic minorities—the blacks and other minorities cannot enjoy equal rights that they should in government, business, education, employment, and other fields. American law-enforcement personnel knowingly violate the law, and cases of excessive force used against blacks and other ethnic minorities have been increasing in recent years. In Washington, D.C., such cases rose from 299 in 1985 to 419 last year. It is ironic that in recent years the United States has posed as the "guardian of human rights" and has used human rights issues to wantonly interfere in the internal affairs of other countries. The exposure of the violation of the human rights of a young black man, Rodney King, has undoubtedly very much embarrassed the United States, the "guardian of human rights." No wonder that mass media in Western Europe and Third World countries have lashed out that the human rights issue in the United States has been exposed in the Los Angeles incident.

The Los Angeles incident has calmed down now. U.S. Government and public leaders have announced that they are going to Los Angeles to personally assess the causes and effects of the incident. The struggle against racial discrimination has continued in the half century since the end of World War II, but the Los Angeles incident shows once again that racial discrimination and the violation of human rights exist to a serious extent in the United States.

Central Eurasia

Estonian Prime Minister To Visit

OW0705094692 Beijing XINHUA in English
0926 GMT 7 May 92

[Text] Helsinki, May 7 (XINHUA)—Estonian Prime Minister Tiit Vahi will pay a five-day official visit to China from Saturday at the invitation of Chinese Premier Li Peng.

In an interview with XINHUA in the capital of the country Tallinn, Tiit Vahi said Estonia is willing to develop economic and trade relations with China.

"Though the two countries are far apart," Tiit said, "the economic and trade relations between Estonia and China will be developed smoothly."

He said that Estonia welcomes China's investment and hopes to see China interested in Estonia's products.

Estonia and China established diplomatic relation last September.

Beijing Opens Diplomatic Mission in Kyrgyzstan

OW0605161592 Beijing XINHUA in English
1554 GMT 6 May 92

[Text] Bishkek, May 6 (XINHUA)—China opened a diplomatic mission today in Bishkek, the Kyrgyz capital.

Speaking at the opening ceremony, Kyrgyz President Askar Akayev said his forthcoming visit to Beijing would open a new chapter in relations with China.

Xia Shuyuan, the Chinese charge d'affaires ad interim, said China valued friendly and good-neighborly relations with Kyrgyzstan and wished Akayev's Beijing trip well.

The two countries established diplomatic relations on January 5, 1992.

Envoy Meets With Byelorussian Parliament

OW0605164092 Beijing XINHUA in English
1457 GMT 6 May 92

[Text] Minsk, May 6 (XINHUA)—Chinese Ambassador Plenipotentiary and Extraordinary Wang Xingda presented his credentials to Byelorussian Parliament Chief Stanislav Shushkevich today.

Wang said the Chinese Government and people were willing to continue the tradition of friendly political, economic and cultural ties with Byelorussia.

Shushkevich told Wang the Byelorussian people harbored friendly sentiments for the intelligent and hardworking Chinese people.

Friendly ties on various fronts would benefit both peoples, he said.

China and Byelorussia established diplomatic relations on January 20, 1992.

Wang arrived here April 20.

Envoy to Moldova Meets Moldovan Foreign Minister

OW0705053892 Beijing XINHUA in English
0331 GMT 7 May 92

[Text] Chisinau, May 6 (XINHUA)—Li Feng Lin, the first Chinese ambassador extraordinary and plenipotentiary to Moldova called on Nicolae Anton Tiu, foreign minister of Moldova, here this afternoon.

Tiu said he was pleased that embassies would be established in each other's capital, adding this was a new starting point for relations between the two countries.

He also said both countries should develop relations in all fields especially economic relations.

China and Moldova established diplomatic relations on January 31, this year.

Li, also the Chinese ambassador to Romania, arrived here by car this afternoon and was greeted at the border

by Nicolae Mosoi, Protocol Department director of the Moldovan Foreign Ministry.

Sino-Russian Container Transportation Firm Set

OW0305160992 Beijing XINHUA in English
1513 GMT 3 May 92

[Text] Harbin, May 3 (XINHUA)—The Harbin Friendship Container Auto-Transport Company, a Sino-Russian joint venture, went into operation recently.

The company was funded by the Harbin Container Transportation Company in northeast China, a subsidiary of the China Auto-Transportation Company, and the first auto-transportation integrated complex of the Russian Federation. It has a total registered capital of 5.65 million Swiss francs (about 3.7 million U.S. dollars).

The Sino-Russian venture, which uses state-of-the-art container transport equipment, will also provide transportation services for foreign funded enterprises in the province.

Harbin-Sverdlovsk Air Service Begins 2 May

OW0305160792 Beijing XINHUA in English
1504 GMT 3 May 92

[Text] Harbin, May 3 (XINHUA)—A chartered plane carrying a cargo of 40 tons of metal materials from Sverdlovsk Prefecture in the Russian Federation arrived in Harbin city in northeast China's Heilongjiang Province Saturday, marking the opening of regular cargo service between the two cities.

Harbin and Sverdlovsk established twin-cities relations in 1990. Since then, Sverdlovsk has been Harbin's number one business partner in the Commonwealth of Independent States.

The new air cargo service between the two cities will meet the increasing need for the express delivery of goods, and will greatly facilitate a further growth in the trade between the two cities.

Northeast Asia

Further Reportage on Takeshita Visit

Meets Jiang Zemin

OW0605224392 Beijing XINHUA in English
1214 GMT 6 May 92

[Text] Beijing, May 6 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, met with visiting former Japanese Prime Minister Noboru Takeshita at the Great Hall of the People here this afternoon.

During the meeting, Jiang recalled his recent goodwill visit to Japan, during which he had a very good talk with

Japanese Prime Minister Kiichi Miyazawa. He said that the visit had left him a deep impression and enabled him to experience the profound friendship between the two peoples.

Jiang expressed the belief that the China-Japan friendly relations, including economic cooperation, will continue to grow with the joint bilateral efforts. This will not only conform to the fundamental interests of the two peoples but benefit peace and development in Asia-Pacific region, he said.

During the meeting, Takeshita also recalled his meeting with the general secretary in Tokyo and he conveyed to Jiang the greetings from Miyazawa.

In return, Jiang asked Takeshita to convey, upon his return home, Jiang's best regards to Prime Minister Miyazawa.

KYODO Reports Meeting

OW0605231492 Tokyo KYODO in English 1258 GMT 6 May 92

[Text] Beijing, May 6 KYODO—Former Japanese Prime Minister Noboru Takeshita assured Chinese General Secretary Jiang Zemin on Wednesday that he would encourage Japanese business corporations to bolster their corporate presence in a Chinese industrial park, Japanese officials said.

"I intend to expedite Japanese investment to (the industrial park) while paying attention to the issue of industrial pollution," Takeshita was quoted as telling Jiang in reference to the industrial park under construction in Dalian, in Liaoning Province.

They met at the Great Hall of the People, according to the officials of the ruling Liberal Democratic Party (LDP) Takeshita on his four-day tour of China, which began Tuesday. [sentence as received]

Takeshita also told Jiang he hopes that the projected Japan-China Friendship Environment Preservation Center will serve to help China work out measures to combat industrial pollution, they said. The groundbreaking ceremony for the center is to take place on Friday.

Takeshita expressed hope that the center will help promote measures to prevent global environmental devastation as well as protect the environments in their two nations, they said.

In reply, Jiang told Takeshita he is aware of Takeshita's efforts to take the initiative in tackling global environmental issues, in addition to his efforts to help China develop its economy, they said.

Jiang and Takeshita agreed that Jiang's visit to Japan in April had been beneficial.

They also agreed that promoting good bilateral economic relations would help advance global peace and security, they added.

The officials claimed that the two stopped short of discussing China's request that Emperor Akihito visit China this fall to mark the 20th anniversary of normalization of diplomatic relations.

Takeshita and Jiang did not exchange views on a Japanese bill that would empower Japan to send its Self-Defense Forces overseas to join U.N. peacekeepers, the officials said.

Earlier in the day, Takeshita met with Wan Li, the head of National People's Congress, China's legislature.

Wan asked Japan to transfer its technology to help China deal with its industrial pollution, notably technology needed to combat the acid rain plaguing some parts of China, the officials said.

Wan said that Beijing is ready to do the groundwork to bolster Japanese investment in China, hoping that Dalian will become "a Hong Kong in Mainland China," they said.

On Tuesday, Takeshita met with Vice Premier Wu Xueqian.

Wu hinted that Premier Li Peng may attend the June earth summit in Brazil, the officials said.

"We should consider environmental issues from a global viewpoint," the officials quoted Takeshita as telling Wu.

Wu replied that China will send a high-level delegation to the summit, and said his country wants to cooperate with Japan during the environment meeting, they said.

His remarks indicate the possibility that Li will participate in the summit meeting, the officials said.

During the 30-minute talks, Wu also asked Japan to help China promote its reform and open-door policy, especially in the fields of science and technology and management know-how, the officials said.

Views Cabinet Shuffle

OW0705090492 Tokyo KYODO in English 0812 GMT 7 May 92

[Text] Dalian, China, May 7 KYODO—Former Japanese Prime Minister Noboru Takeshita on Thursday brushed aside the possibility the cabinet will be shuffled after elections for the House of Councillors in July.

Takeshita, who is on a four-day visit to China, also expressed skepticism about simultaneous elections for both houses of parliament.

"The dissolution of the House of Representative happens only when the Diet deliberations are deadlocked,"

Takeshita said. "So when the Diet is now trying to deliberate the peacekeeping cooperation bill, a dissolution is impossible."

He predicted that the peacekeeping cooperation bill, which would allow overseas dispatch of Self-Defense Forces (SDF), will be passed in the current Diet session.

The bill has cleared the 512-seat lower house, which is controlled by the LDP [Liberal Democratic Party]. It is pending in the opposition-dominated upper house.

Election for half of the 252 seats in the upper house is scheduled for July, and some have speculated that Prime Minister Kiichi Miyazawa might dissolve the House of Representatives and call a general election at the same time as the upper house vote.

Earlier in the day, Takeshita visited an industrial housing development under construction in the suburb of Dalian.

The housing complex is the first project by a Japan-China industrial organization.

Takeshita said in a welcoming ceremony that he hopes to promote environment-friendly investment by Japanese companies.

Zhu Rongji Meets Japanese Businessmen

OW0605132292 Beijing XINHUA in English
1226 GMT 6 May 92

[Text] Beijing, May 6 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with Akira Nishigaki, president of the Overseas Economic Co-Operation Fund of Japan, and his party here today.

They had a cordial conversation on the expansion of friendly cooperation and other issues.

Nishigaki and his party arrived here May 5 at the invitation of the Chinese Ministry of Foreign Economic Relations and Trade.

Ni Zhifu Meets Japanese Trade Union Delegation

OW0605224292 Beijing XINHUA in English
1217 GMT 6 May 92

[Text] Beijing, May 6 (XINHUA)—Ni Zhifu, vice-chairman of the Standing Committee of the Chinese National People's Congress and president of the All-China Federation of Trade Unions, met a delegation from the Japanese Trade Union Confederation (JTUC) at the Great Hall of the People this evening.

The delegation, led by JTUC President Akira Yamagishi, arrived here this afternoon as guests of the All-China Federation of Trade Unions.

Speaks on Forced Labor, Prisoners

OW0705141292 Tokyo KYODO in English 1323 GMT
7 May 92

[Text] Beijing, May 7 KYODO—China's national trade union leader Ni Zhifu told a Japanese counterpart Thursday that China has about 100,000 political prisoners engaged in forced labor, not some 20 million as alleged by Western sources.

Ni, president of the All-China Federation of Trade Unions, made the remark during a meeting with Akira Yamagishi, chairman of the Japan Trade Union Confederation (Rengo), who is now visiting Beijing. Rengo officials said.

On the 1989 military crackdown on pro-democracy demonstrators in Tiananmen Square, Yamagishi said the International Confederation of Free Trade Unions (ICFTU) has an extremely severe view on the Chinese federation's stance on the incident, the officials added.

"What the federation did in order to protect human rights and labor unions' rights was greatly different from international standards," Yamagishi was quoted as saying.

Ni replied that the Chinese Government guarantees freedom of association and under a new labor union law, enterprises must allow workers to organize trade unions, the Rengo officials said.

The ICFTU has been asking Beijing authorities to release union activists arrested during and after the Tiananmen Square crackdown.

But Ni reiterated a previous position that those arrested are criminal offenders who committed arson and assault.

Mongolian Premier Arrives in Beijing

OW0705075092 Beijing XINHUA in English
0739 GMT 7 May 92

[Text] Beijing, May 7 (XINHUA)—Dashiyin Byambasuren, premier of the State of Mongolia, arrived in Beijing today by special plane for an official good-will visit at the invitation of Chinese Premier Li Peng.

Byambasuren's visit is the first to China by a Mongolian premier in 30 years.

Greeting him at the airport today were Huang Zhen-dong, chairman of the Chinese Government Reception Committee and minister of communications, Chinese Vice-Foreign Minister Jiang Enzhu and Chinese Ambassador to Mongolia Zhang Delin.

Those who are accompanying Byambasuren on the visit, including his wife Dulamhand Sanj, Assistant Premier Dambiyn Dorligjab and Minister of National Development Jamyangiyn Batsuuri, arrived in the Chinese capital by the same plane.

NPC Vice Chairman Meets Mongolian Journalists

*OW0705090192 Beijing XINHUA in English
0820 GMT 7 May 92*

[Text] Beijing, May 7 (XINHUA)—Ye Fei, vice-chairman of the Standing Committee of the Chinese National People's Congress, met a delegation from the Mongolian newspaper "PEOPLE'S RIGHT" [ARDYN ERH] here this afternoon.

The host and Batmunkh Ligden, head of the delegation and the newspaper's editor-in-chief, exchanged views on further developing the friendly relations between the two countries.

The Mongolian journalists arrived here today as guests of the PEOPLE'S DAILY [RENMIN RIBAO].

Gao Di, director of the PEOPLE'S DAILY attended the meeting.

Qiao Shi Meets Mongolian Academic Delegation

*OW0605150792 Beijing XINHUA in English
1436 GMT 6 May 92*

[Text] Beijing, May 6 (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the Chinese Communist Party (CPC) and president of the Party School of the CPC Central Committee, met with a delegation from the State and Society Research College of Mongolia at the Great Hall of the People here today.

The delegation is led by Yadam Dolgorjav [name as received], member of the Mongolian People's Revolutionary Party Central Committee and president of the college.

Xue Ju, member of the CPC Central Committee and vice-president of the Party School of the CPC Central Committee, attended the meeting.

The visitors are here to learn more about China's experience in its economic reform, achievements in the fields of culture, science and technology as well as in the improvement of people's living standard made since China implemented reform and opening to the outside world, and discuss ways of establishing contacts and cooperation between the two schools.

Dolgorjav and his party arrived in China April 27 as guests of the party school.

Qiao Shi Meets DPRK Theoretical Journalists

*OW0605151292 Beijing XINHUA in English
1445 GMT 6 May 92*

[Text] Beijing, May 6 (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met with a delegation from "KULLOJA", theoretical journal of the Worker's Party Central Committee of the Democratic People's Republic of Korea, here today.

The delegation is headed by the editor-in-chief of the journal, Kim Yong-hak.

Qiao said during the meeting that the two parties, countries, and peoples enjoy a traditional friendship. He hoped that such friendship will experience further development in the future.

The exchange of visits between senior officials of the two countries has improved mutual understanding and friendship, Qiao said.

The DPRK visitors came to China April 28 as guests of "SEEKING TRUTH", the theoretical journal of the CPC Central Committee.

Qiao expressed the hope that the two journals will increase exchanges.

Kim said that during his current China visit he found great changes have taken place in China; he expressed his wish that China make even greater achievements in the future.

DPRK Foreign Ministry Speaks on U.S. Riots

*HK0705071392 Beijing XINHUA Domestic Service
in Chinese 0505 GMT 7 May 92*

[Text] Pyongyang, 7 May (XINHUA)—A spokesman from the DPRK Foreign Ministry pointed out on the 6th that the United States should not willfully comment on the state of human rights in other countries, but should first attend to its own human rights problems.

According to a report in today's MINJU CHOSON, this statement was made by a spokesman of the DPRK Foreign Ministry on the 6th when answering a question raised by a Korean Central News Agency reporter on the Los Angeles incident.

The spokesman said: A racial incident erupted in Los Angeles on 29 April causing the death of several dozen people, injury to thousands, and enormous property damage. It should be noted in particular that Korean nationals living in this city suffered the heaviest losses. All Korean people are extremely saddened about this.

The spokesman also stressed: We are not at all shocked that a serious case of human rights abuse took place in the United States, which has prided itself on its defense of human rights and which also intervenes directly in the internal affairs of other countries. This incident shows that a country with serious human rights problems is none other than the United States itself.

Another report said that the Korean Committee on Solidarity with Overseas Compatriots issued a statement on the 6th demanding that the United States make a public apology as well as compensate Korean nationals for losses caused by the racial incident.

Southeast Asia & Pacific

Vice Premier Wu Xueqian Meets SRV Delegation

OW0605132392 Beijing XINHUA in English
1239 GMT 6 May 92

[Text] Beijing, May 6 (XINHUA)—Chinese Vice-Premier Wu Xueqian met with a delegation from the National Center for Social Sciences (NCSS) of Vietnam led by its President Nguyen Duy Quy here today.

During the meeting, Wu briefed the visitors on China's current endeavor on deep-going reform and opening still wider to the outside world.

The Vietnamese delegation came to China May 3 at the invitation of Hu Sheng, president of the Chinese Academy of Social Sciences.

In addition to Beijing, the visitors are expected to travel to Shanghai, Guangzhou and Shenzhen.

Yang Fuchang Visits Burma, To Develop Ties

Meets Law, Order Official

OW0605121692 Beijing XINHUA in English
1145 GMT 6 May 92

[Text] Yangon [Rangoon], May 6 (XINHUA)—Maj-Gen Khin Nyunt, first secretary of the Myanmar [Burma] State Law and Order Restoration Council (SLORC), met with the visiting Chinese Vice-Minister for Foreign Affairs Yang Fuchang here at noon today.

They had a cordial and friendly conversation.

The SLORC secretary warmly welcomed the vice-minister's visit to Myanmar and his holding of consultation with the Myanmar side.

Khin Nyunt said that the Myanmar Government would make efforts to further develop the "paukphaw" friendly relations of cooperation with China.

The Chinese vice-minister expressed his pleasure with the results of the consultation between the two sides.

He believed that the relations of cooperation, which were set by the leaders of the older generation of the two countries on the basis of the Five Principles of Peaceful Coexistence, would be consolidated and strengthened.

Present at the meeting were Myanmar Minister for Foreign Affairs U Ohn Gyaw and Chinese Ambassador to Myanmar Liang Feng.

Yang Fuchang Departs Rangoon

OW0605131792 Beijing XINHUA in English
1146 GMT 6 May 92

[Text] Yangon [Rangoon], May 6 (XINHUA)—Chinese Vice-Minister for Foreign Affairs Yang Fuchang and his

party left here this afternoon for home after ending their four-day visit in Myanmar [Burma].

During their stay here, Maj-Gen Khin Nyunt, first secretary of the State Law and Order Restoration Council, and U Ohn Gyaw, minister for foreign affairs, met with the Chinese Vice-Minister respectively.

The vice-minister and his party held consultations with colleagues of the Myanmar Foreign Ministry on the matters relating to bilateral relations and international issues of common interests.

Since their arrival on May 2, the guests visited China-aided Yangon-Tanyin bridge project, the well-known Shwedagon Pagoda and attended the opening ceremony of the First National Sports Festival of Myanmar.

Justice Official Meets Indonesian Chief Justice

OW0605164292 Beijing XINHUA in English
1449 GMT 6 May 92

[Text] Beijing, May 6 (XINHUA)—Ali Said [name as received], chief justice of the Supreme Court of Indonesia, and his party left here for Xian and Shenzhen this evening.

Tuesday evening, Ren Jianxin, president of China's Supreme People's Court, met and hosted a banquet for the Indonesian guests. Both sides agreed to further the exchange and cooperation between the courts of the two countries.

During their stay here, the delegation also held talks with China's Supreme People's Court.

Bangladesh Envoy Praises Beijing Friendship

OW0605212292 Beijing XINHUA in English
1741 GMT 6 May 92

[Text] Dhaka, May 6 (XINHUA)—Bangladesh Foreign Minister Mustafizur Rahman today said that Bangladesh had a strong bond of friendship and cooperation with China based on mutual understanding, through the mutual collaboration in different fields.

The foreign minister was speaking on the occasion of the inauguration of the newly constructed Heavy Maintenance Workshop of the Army at Rajendrapur, some 50 kilometers north from the capital.

He said, the heavy maintenance workshop constructed with Chinese assistance would have a great potential of making the Bangladesh army self-reliant in repair and maintenance of its heavy equipment.

Referring to some other projects of national importance completed with the Chinese assistance, the foreign minister said, China is the trusted friend of Bangladesh, who had been playing a very important role in the development of the country.

Earlier, Chief of Army Staff Lt. General Muhammad Nuruddin Khan in his speech said, the heavy maintenance workshop stood as a mile-stone to the growing friendship and cooperation between the two armies.

The leader of the visiting Chinese People's Liberation Army team, Major General Chen Benyan also spoke on the occasion.

Near East & South Asia

Shamir Advisor Says Israel Waiting on Syrians

OW0605131592 Beijing XINHUA in English
1144 GMT 6 May 92

[By Li Hongqi]

[Text] Jerusalem, May 6 (XINHUA)—Israel today rejected a U.S. demand for "goodwill response" to Syria's decision to allow Syrian Jews to travel freely.

Ehud Gol, media advisor to Prime Minister Yitzhaq Shamir, told XINHUA that his government was waiting to see if Damascus would really honor its commitment.

Syria earlier announced that its Jews would be free to travel abroad to meet their families, but they could not be allowed to go to Israel.

U.S. Ambassador to Israel William Harrop on Tuesday night urged the Jewish state to give "goodwill response" in the interest of the Middle East peace process.

"I think it falls very much under the category of what we call in the peace talks 'confidence building measures.' I would be happy to see a response of some kind—come one way or another—from Israel," the ambassador told Israel television.

However, the Israeli official said that he had not seen any move by Syria to honor its pledge. "So it would be advisable to wait and see what would exactly be the process," Gol added.

Asked if Syria really carries out its commitment whether Israel would give any goodwill response, Gol said "no."

"We think it is basically a humanitarian issue and I don't think it requires any reciprocity," he said.

The U.S. ambassador did not clarify what kind of response he expected from Israel, but only said he favored any "goodwill gesture or gestures of confidence that improve the atmosphere of discussions."

"It's so important," Harrop stressed. "It means you make a gesture to the other side to show your goodwill."

Meanwhile, a senior defense ministry official, quoted by the JERUSALEM POST, said: "I think this is a scandal. The Syrians made their move because they wanted to please the U.S. They want a reciprocal response to come from Washington, not Jerusalem."

Diplomats here believe that Washington may expect Israel to soften its stand on excluding Palestinians in exile from the upcoming multilaterals on the Middle East refugee problem and regional economic cooperation.

The two working groups will convene later this month separately in Ottawa and Brussels. The U.S. has been trying to convince Israel of participation by Palestinians from outside the occupied lands.

Gol reiterated that Israel would boycott the two working groups if Palestinian exiles show up.

Israeli takes this position to prevent the PLO from playing any role in the peace process.

Beijing To Host Arab Group for Dialogue

OW0705095192 Beijing XINHUA in English
0905 GMT 7 May 92

[Text] Beijing, May 7 (XINHUA)—Scholars and experts from China and a number of Arabian countries will engage in a dialogue on international issues on May 9 and 10 in Beijing.

According to an official from the Chinese People's Association for Friendship with Foreign Countries (CPAFFC), the meeting will be the first of its kind hosted jointly by the CPAFFC and the Egyptian Committee for Solidarity—a non-governmental organization between a number of African and Asian nations.

The dialogue will focus on issues concerning the widely proposed new world political order, relations between China and Arab countries, and democracy and legal systems.

According to the CPAFFC official, the Arab delegation, which will be led by Ahmed Hamroush, Chairman of the Egyptian Committee for Solidarity, will consist of politicians, experts and scholars from Egypt, Libya, Yemen, Lebanon, Iraq and Palestine.

The Arab delegation will include former Egyptian prime minister Ali Loutfi, and 'Abd al-'Ati al-'Ubaydi, the former Libyan secretary-general of the General People's Committee.

The Chinese delegation will include CPAFFC Vice-President Liu Gengyin, along with Xie Bangding, the former ambassador to Tunisia, Zhan Shiliang, the former ambassador to Egypt.

The CPAFFC official said the goal of holding the dialogue is to increase mutual understanding concerning issues of common concern, as well as to enhance exchanges and cooperation between China and Arab countries.

The Egyptian Committee for Solidarity, which was founded in 1957, now has over 700 members, including

government officials, diplomats, writers, artists, professors, journalists, lawyers and experts on international issues.

West Europe

Delegation Seeks To Expand Sino-Turkish Trade

HK0705022392 Beijing CHINA DAILY
in English 7 May 92 p 2

[By staff reporter Wang Yong: "Turkey Targeted for Trade"]

[Text] A high-powered Chinese trade delegation left for Turkey today to pave the way for expanding bilateral trade.

The two countries are expected to solidify agreements for future trade and economic co-operation, as well as set a target for this year's bilateral trade volume, Chinese trade officials said.

Wang Wendong, vice-minister of Foreign Economic Relations and Trade (Mofert), headed the nine-member delegation to attend the ninth Sino-Turkish Joint Commission for Trade and Economic Cooperation, which runs through May 19.

The mission includes officials from the State Science and Technology Commission, who will promote technological collaboration.

"The prospect of trade looks good," Chinese officials said, because the country's renewed economic growth momentum will increase imports.

Also, Turkey has stepped away from the shadow cast on it by the Gulf War, they pointed out.

Apart from holding talks with their counterparts, Chinese officials will meet with top Turkish Government leaders during their visit.

Chinese officials expressed confidence in bringing about good results from the visit, which they said would bring new heights for bilateral trade.

Bilateral trade reached over \$100 million last year, a slight increase from 1990, according to statistics from China's General Administration of Customs.

But that cannot compare to the record high of \$300 million in 1988.

"A favourable factor stimulating bilateral trade is that both governments have attached great importance to it," Chinese trade officials said.

After these initial talks, enterprises of the two countries are expected to embark on intensive reciprocal visits, they said.

The Sino-Turkish Enterprises Association, established last year, will convene a meeting later this year to find ways for stronger collaboration.

But Chinese trade officials noted that Turkish businesses tend to look toward European markets for big profits.

"Sino-Turkish trade still needs much effort from both sides to pull ahead," they said.

China's main exports are coal, oil, cotton, raw silk, rice, light industry products, machine tools and chemical products.

Its imports from Turkey include fertilizer, steel, chromium and tobacco.

A top Turkish Government official said during his 1990 visit to China that China's coal could help meet demand for Turkey's steel industry.

Beijing, Britain Sign Health Cooperation Accord

OW0505191992 Beijing XINHUA in English
1741 GMT 5 May 92

[Text] Geneva, May 5 (XINHUA)—China and Britain signed an accord here today for more cooperation and exchanges in the field of health between the two countries.

According to the accord the two countries will strengthen their cooperation in epidemiology, nutriology and traditional Chinese medicine.

For that, the two sides will send experts to each other for exchanging medical information and techniques. Experts from institutions and organizations concerned are encouraged to participate in conferences on medicine in both countries.

The accord, the third one since 1985, was signed by Chinese Vice-Minister of Health He Jiesheng and British Secretary of State for Health V. Bottomley.

He said that the new accord is of significance in widening cooperation between the two countries and will help to develop the cause of traditional Chinese medicine.

Bottomley said that the accord will be beneficial to both China and her country, stressing that the two countries have done a lot of work in the past in cooperation in the field of health.

Latin America & Caribbean

Yang Shangkun Meets Colombia First Lady

Visit To Promote 'Understanding'

OW0505140692 Beijing XINHUA in English
1344 GMT 5 May 92

[Text] Beijing, May 5 (XINHUA)—Chinese President Yang Shangkun said today that China and Colombia

share many things in common and enjoy broad prospects and great potential for the further development of friendly relations and cooperation.

Yang made the remarks during a meeting here with Ana Milena Munoz de Gaviria, the first lady of Colombia, and her party.

According to official sources, the Chinese president extended a warm welcome to the first lady and spoke highly of her efforts to promote the development of Sino-Colombian relations.

Yang was quoted as saying that Sino-Colombian relations have developed smoothly since the establishment of the diplomatic ties in 1980.

Yang noted that under the current international situation it is especially important for the leaders of the two countries to maintain frequent contacts.

He said the current visit by the first lady will promote mutual understanding and the continued growth of relations.

The first lady conveyed the best regards of Colombian President Gaviria, and said that Colombia attaches great importance to its relations with China. She said the goal of her visit is to learn more about the country, explore new ways to expand cooperation and promote the development of friendly and cooperative relations with China.

She congratulated China on its achievements in reform and opening to the outside world.

Yang asked the first lady to convey his best regards to President Gaviria, and reiterated his invitation for the president and first lady to visit China at their convenience.

Chinese Vice Foreign Minister Liu Huaqiu, and Federico Echavarria Olarte, the Colombian ambassador to China, attended the meeting.

First Lady Departs for Guilin

*OW0605092492 Beijing XINHUA in English
0802 GMT 6 May 92*

[Text] Beijing, May 6 (XINHUA)—Ana Milena Munoz de Gaviria, the first lady of Colombia, flew to China's southern city of Guilin today after her tour of Beijing.

The first lady and her party were seen off at the airport by Chinese Vice-Foreign Minister Liu Huaqiu.

The Colombian visitors arrived here May 2 on a goodwill visit as guests of the Chinese Government.

La Paz Parliament Fetes NPC Head Wang Harbin

*OW0705002992 Beijing Central People's Radio
Network in Mandarin 1700 GMT 6 May 92*

[From the "International News and Current Events" program]

[Text] The parliament of La Paz, the seat of the Bolivian Government, held a grand ceremony at City Hall on 5 May to confer the title of "Distinguished Guest to La Paz" to Wang Hanbin, vice chairman of the Standing Committee of China's National People's Congress [NPC].

Other members of the goodwill NPC delegation, led by Vice Chairman Wang, also received the title of "Guest of Honor to La Paz City."

At the ceremony, acting Mayor Julio Mantilla delivered a warm speech in which he praised the tremendous contributions made by the Chinese people toward safeguarding world peace and advancing world development.

The delegation arrived in La Paz on 6 May for a six-day goodwill visit to Bolivia at the invitation of Bolivian Vice President and Parliamentary Speaker Luis Ossio.

Political & Social

Qiao Shi Urges 'People's Democratic Dictatorship'

OW0705141692 Beijing XINHUA Domestic Service
in Chinese 1029 GMT 7 May 92

[By RENMIN RIBAO reporter Mao Lei (3029 4320) and
XINHUA reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 7 May (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee and secretary of the Central Commission of Political Science and Law, made a speech today at the Ninth National Procuratorial Work Conference. He pointed out: Fundamentally speaking, to achieve permanent order and security in the country, we must rely on economic development, strengthening national power, and constantly improving people's material and cultural lives; however, without a people's democratic dictatorship, we will not have effective tools for dictatorship, and public security organs, procuratorial authorities, people's courts, and judicial departments will not be able to properly develop a socialist democracy, will have difficulty in protecting the socialist legal system, and will not be able to maintain good order over public security.

Qiao Shi called on various political and judicial departments to firmly foster the thinking of serving economic construction, further emancipate their minds, change their concepts, be on the alert for rightist tendencies, but especially guard against "leftist" interferences [jing ti you di, te bie shi yao fang zhi "zuo" di si xiang di gan rao 6226 1912 0671 4104, 3676 0446 2508 6008 7089 2972 1563 4104 1835 1927 4104 1626 2371], take the initiative and be more consciously subordinate to and serve economic construction and the reform and open policy, and strengthen the functions of the people's democratic dictatorship.

Qiao Shi pointed out: In the past several years, procuratorial authorities throughout the country have implemented the party's basic line of "one center, two basic points," have carried out duties of legal supervision entrusted to them by the constitution and law, and have made great achievements in prominently unfolding various tasks, including punishing embezzlement and bribery, dealing blows to criminal offenders, and investigating and handling cases of infringements on people's rights and dereliction to duty. The political and professional quality of procuratorial workers has generally been good, and their work has been constantly improving.

Touching on the question of anticorruption, Qiao Shi pointed out: Punishing embezzlement and bribery crimes is an important responsibility of procuratorial authorities. Crimes of embezzlement and bribery are forms of corruption much hated by the people. They corrode the body and freshness of the party and state, impair the party's prestige and image among the people,

and endanger the healthy development of economic construction, reform, and opening up to the outside world.

He called on procuratorial authorities to penetratingly understand and seriously implement the policy of the party Central Committee on punishing corruption, to strictly implement the laws and policies in their work, to be diligent in their work, to crack down on crime, and to overcome the practice of doing things in a simple and poor manner. He asked them to understand the economic situation and policies, seriously investigate and study new situations and problems in economic work, and strictly distinguish between crime and noncrime. Toward cases involving those who have made contributions to reform and opening up and have not done things in clear violation of policies and laws, the procuratorial authorities must be very prudent and should not investigate their criminal responsibility in a rash manner. Toward those who have not committed crimes, procuratorial authorities should give them protection in a firm manner. Toward those who have actually committed crimes, it is imperative to deal with them in accordance with the law, regardless of who they are.

At present, the problem of public security is still quite conspicuous, criminal activities in certain places still run unchecked, and some evil tendencies are spreading. Regarding this situation, Qiao Shi emphatically pointed out: The procuratorial authorities must consider cracking down on serious criminal offenders in a severe, prompt, and strict manner in accordance with the law as a strategic task and must not slacken their efforts to the slightest degree. It is essential to implement various measures put forward by the Central Commission for Comprehensive Control of Social Order. In particular, it is essential to mobilize all of society to strengthen education about the legal system and prevent crimes.

Qiao Shi hoped that the procuratorial authorities at various levels throughout the country and the broad masses of cadres on the procuratorial front carry forward their achievements; further improve themselves; carry out procuratorial work in a strict manner; consistently raise the political and professional quality of cadres and policemen; enhance their sense of responsibility and mission; closely integrate procuratorial work with the party's central task; consider whether things help develop productive forces; help speed up reform, opening up, and economic construction; and help protect social and political stability as the starting point and fundamental criterion for judging the success or failure of their procuratorial work, and fulfill their respective tasks in an even better way.

Gong Yuzhi Quotes Deng on Economic Theory

HK0605064392 Hong Kong LIEN HO PAO in Chinese
6 May 92 p 2

["Special dispatch" by correspondent Liu Fang-fang (0491 5364 5364): "Gong Yuzhi Quotes Deng Xiaoping as Saying Socialism Can Have a Market Economy"]

[Text] With the "uproar effect" of Deng Xiaoping's southward tour, the economic reform faction in the CPC is launching a bigger "theoretical charge." It is systematically publicizing Deng Xiaoping's ideas of deepening economic reform and expanding opening up to the outside world and has already adjusted the ideological and propaganda work leadership group in the central authorities. Gong Yuzhi, former deputy director of the CPC Central Committee Propaganda Department, now works under Li Ruihuan and is in charge of concrete work in the "theoretical battle." Gong Yuzhi's 30,000-character article, which explains "Deng Xiaoping's theoretical system" and the significance of his southward tour, has become "study material" for middle and senior cadres above grade 17. His article quotes Deng Xiaoping as saying "socialism can also have a market economy."

The new wave of "theoretical charge" indicates that Deng Xiaoping has made up his mind to do something great, to eliminate obstacles to deepening economic reform, to expedite economic development and opening up to the outside world, and to absorb boldly capitalism's experiences in developing productive forces. This trend is helpful to economic exchanges between Hong Kong and the mainland. In particular, investments by Hong Kong businessmen in coastal areas on the mainland will cause a medium and long-term "anticipation effect" on the Hong Kong stock market.

To implement Deng Xiaoping's ideas and prepare for the "theoretical buildup" for the 14th Party congress, which will be held in the winter, the ideological and propaganda work leadership group of the central authorities has been strengthened with cadres from the economic reform faction. This leadership group is higher than the CPC Central Committee Propaganda Department and is headed by Li Ruihuan, a Political Bureau Standing Committee member who is in charge of ideological work. Allegations that Deng Liqun from the conservative faction runs this leadership group are not correct; in fact, Deng Liqun's actual post is head of the CPC Central Committee Cadres Education Work Leadership Group (which is also higher than the Propaganda Department).

Li Ruihuan's deputies are Li Tieying, a Political Bureau member and state councillor in charge of the cultural, education, and propaganda departments within the State Council system; and Ding Guangen, an alternate member of the Political Bureau and secretary of the Secretariat. The former represents the State Council, the latter represents the Secretariat, and both are senior cadres from the economic reform faction.

In the leadership group, Gong Yuzhi, 63, is specifically responsible for "theoretical work." He graduated from Beijing's Qinghua University Chemistry Department in 1952, a year later than Zhu Rongji, who was in a different department. He worked for a long time in the CPC Central Committee Propaganda Department and engaged in theoretical and propaganda work. Over the past 10 years, he was responsible for drafting important documents for the CPC Central Committee and was a

trusted follower of Zhao Ziyang and Hu Yaobang. In 1988, he published his book, "A New Starting Point for Ideological Emancipation," which said that "learning from capitalism" was "a must in building socialism." After the 4 June incident, he lost power in the CPC Central Committee Propaganda Department and recently became a big general again who is striking back against the conservative faction in the "theoretical battle."

Gong Yuzhi recently wrote a long article explaining Deng Xiaoping's "theoretical system" and his southern tour speeches and particularly mentioned the theoretical hindrances to deepening economic reform. He said some people think that "Deng Xiaoping had not clearly proposed the new concept, which holds that reform is also for liberating the productive forces," before he toured south China," adding that this is not in accordance with the facts.

Gong Yuzhi called the economic reform, which was advocated by Deng Xiaoping during his tour of south China, as the "third revolution" since 1949 when political power was secured. He said: "The changes caused by this reform to the system have a certain 'basic' nature, therefore it can be called a revolution."

The key points in Deng Xiaoping's "theoretical system" and his southern tour speeches mentioned by Gong Yuzhi include:

1. At present, it is the initial stage of socialism. Marxism must adapt to circumstance and economic reform must be carried out for there is no way out without reform.
2. The "productive forces criterion" is for judging whether reform policies are correct, whether they are helpful to developing socialist productive forces, whether they are helpful to increasing the comprehensive national strength of a socialist country, and whether they are helpful to improving the people's standing of living.
3. The market economy does not equal capitalism and socialism can also have a market economy.
4. Do not get entangled in the debate of "socialism or capitalism as surname," be bold in reform, permit experiments.
5. Expedite opening up to the outside world and the development of special economic zones.
6. Uphold "one center, two basic points," and insist on reform and opening up on the one hand and the four cardinal principles on the other when adhering to the center of economic development.

Article Cites Deng on Shanghai's Development

HK0705070692 Hong Kong WEN WEI PO
in Chinese 7 May 92 p 13

[By WEN WEI PO office in Shanghai: "Deng Xiaoping's Fifth Inspection of Shanghai Over Past Five Years"]

[Text] Here he made a series of important speeches and earnestly instructed people of Shanghai to seize the historical opportunity to accelerate the pace of reform and opening up. His inspection set off a new upsurge on the banks of the Pu Jiang.

Shanghai was brimming over with a jubilant and prosperous scene on the eve of the Spring Festival. After concluding his inspections in Shenzhen and Zhuhai, Deng Xiaoping, general architect of China's reform and opening up, who is highly respected by the people throughout the country, came to Shanghai.

Have a Look at Shanghai's Economic Situation

Mayor of Shanghai Huang Ju and municipal CPC Committee Secretary Wu Bangguo welcomed Deng at the railway station. They shook hands with Deng Xiaoping and said excitedly: The people of Shanghai welcome you to spend the Spring Festival here and guide Shanghai's reform and opening up. Deng smiled: I will be here for the Spring Festival holidays, to see the Nanpu Bridge and the situation of Shanghai's economic development.

This was the fifth time Deng Xiaoping spent the Spring Festival holidays with the Shanghai people since 1985. Compared with the previous times, Deng Xiaoping was in higher spirits this time during his stay in Shanghai. He made more frequent visits and more speeches than before.

On 3 February, on the jubilant and peaceful eve of the Spring Festival, Deng Xiaoping and President Yang Shangkun met with Shanghai municipal party, government, and military leaders and had a get-together with people from various circles to ring in the Year of the Monkey. On behalf of the 13 million people of the city, Huang Ju and Wu Bangguo wished the two highly respected senior leaders a Happy Spring Festival and a healthy and long life. Deng Xiaoping and Yang Shangkun said smiling: We wish you a Happy New Year! Best regards to the people of Shanghai!

"My Inscription Does Not Bring Disgrace on the Bridge"

On the fourth day of the first month of the lunar year (7 February), Deng Xiaoping and Yang Shangkun came to the Nanpu Bridge, which had already been opened to traffic. Looking at the magnificent view of the bridge, which was 50 meters' high, Deng Xiaoping praised it heartily, saying it had reached the advanced level of the world and was really great. Pointing at the four characters on the crossbeam of the bridge, meaning "the Nanpu Bridge," he said: It seems my inscription has not brought disgrace on the bridge. This aroused a joyful laughter from the people around.

Later, Deng Xiaoping and Yang Shangkun went by car to the worksite of the Yangpu Bridge, which was under construction, where the workers welcomed them with warm applause. Deng Xiaoping listened to the reports of

the persons in charge of the project, looked at the bridge model, and repeatedly encouraged the workers to be meticulous in construction so that the bridge, which will be the largest of this kind in the world, can be successfully built.

Boat Tour on Huangpu Jiang

On the evening of 8 February, Deng Xiaoping and Yang Shangkun went to see the night view of Nanjing Road by car and then toured the Huangpu Jiang by boat. In recent years, shops on both sides of Nanjing Dong Road have been decorated with neon lamps, and new floodlights have been installed for the high rises on the bund. At night, there are beautiful and colorful lights everywhere, making Shanghai a "city without night." Deng Xiaoping and Yang Shangkun said excitedly: Nanjing Road and the bund are shining with dazzling splendor. Great changes have taken place in Shanghai.

On 11 February, Deng Xiaoping and Yang Shangkun visited the Beiling Microelectronics Manufacturing Limited, a Sino-Belgian joint venture. Seeing that imported advanced foreign equipment has settled down here and had been put into normal operation, Deng Xiaoping told the accompanying municipal officials that in the final analysis, the reason some people dare not make a step forward and dare not blaze new trails in reform and opening up is that they are afraid there will be too many capitalist things, and they will take the capitalist road. Originally, this equipment was surnamed "capitalism," but now they are here and are surnamed "socialism." They are serving socialism.

Surnamed "Socialism," Not "Capitalism"

On the morning of 12 February, Deng Xiaoping and Yang Shangkun inspected Shanghai's Minhang economic and technological development zone and Qizhong Village of Maqiao Township, Shanghai County. In the Minhang development zone, the general manager's report took more time than was scheduled, and the personnel accompanying Deng Xiaoping were afraid that he might be exhausted after listening to it. They urged him to leave soon after the report finished, but Deng shook his hand and said: "I still have something to say." He told the accompanying personnel, who had risen and sat down again, that by the end of this century, Pudong, Shenzhen, and other areas must answer a question: Surnamed "socialism" or surnamed "capitalism"? The practice of reform in rural areas has provided an answer to this question. In the beginning, there were different opinions. The system of contracted responsibilities on the household basis with remuneration linked to output was adopted, and the people's commune system was abolished only in 1/3 of the provinces at the beginning, then in more than 1/2 of the provinces the following year. In the third year, almost all the provinces did the same. Now it is also necessary to provide an answer through practice to the question of how to give expression to the superiority of socialism in reform in the industrial, science and technological fields, and in the

cities. When the Minhang development zone's general manager told Deng Xiaoping that the accumulative tax turned over to the state by the development zone over the last five years was 280 percent higher than the total investment in the capital construction there, Deng said: Your practice is somewhat convincing, but this is still not enough. Now some people are apprehensive that disturbance may occur in the development of Pudong. I cannot imagine what kind of disturbance may occur, nor can those who are apprehensive about it.

Shanghai Must Seize the Current Opportunity

On 13 February, Deng Xiaoping and Yang Shangkun listened to reports on the work of the Shanghai Municipality at the place where they were staying. Deng Xiaoping made many important speeches on Shanghai's reform, opening up, and economic development. He said: Shanghai currently has all the conditions for developing faster. It has evident superiorities in talent, technology, and management which cover a wide range of fields. The people here are comparatively more obedient [min xin bi jiao shun 3046 1800 3024 6525 7311]. This is an unlimited force. Great changes have taken place in Shanghai in as little as one year's time, and greater changes will take place in three years.

Referring to the construction of Pudong, Deng Xiaoping said: The development of Pudong was late, and this was my mistake. When we decided to establish the four special economic zones, we mainly took into consideration the geographical and foreign fund situation. We did not consider the human factor. The people of Shanghai are clever. You have lost one opportunity.

Huang Ju and Wu Bangguo reported to Deng: The 1990's are an opportunity for Shanghai's development. We are firmly promoting our work in accordance with your opinions and the instruction of the Party Central Committee and the State Council. Hearing this, Deng Xiaoping sincerely and earnestly exhorted them: This will be Shanghai's last opportunity, and you should not let it slip. Now in the development of Pudong, you can only advance forward and not retreat, and you have nowhere to retreat. The development of Pudong was late. This is a bad thing, but there is a bright side. You can learn from Guangdong's experience and do even better. You can be more modernized on a higher starting point. I believe the latecomers will surpass the old-timers. Great changes are bound to take place in Shanghai by 1995, and I am sure I can see such changes.

Cheerfully Visiting Department Store

On the evening of 18 February (the fifteenth day of the first month of the lunar year), which was the traditional Lantern Festival of the Chinese people, Deng Xiaoping, glowing with health and radiating vigor, paid a visit to the First Department Store of Shanghai, which was permeated with a festive atmosphere. Being busy with public affairs, Deng Xiaoping had not visited shops or gone shopping for several decades. On this day, he was

full of energy and walked through the shop with vigorous strides; he even bought two rubber erasers and four pencils for his grandchildren. People who had rushed to the shop upon hearing about Deng's visit, conscientiously fell into two lines, face to face and in a good order, even though they did not know each other. When Deng Xiaoping came up to them steadily with a smile, they all shouted and jumped for joy and enthusiastically clapped their hands. They were all very glad to see this great man with their own eyes. Quite a few of them let themselves go and shouted loudly: "How do you do, Comrade Xiaoping!" "How are you, Grandpa Deng!" Deng Xiaoping waved his right hand to greet the masses. He took a little girl in his arms and affectionately kissed her small cheeks. Later, when asked by his family members what he had seen in the shop, he said humorously: "What I saw was a sea of people!" Facing the masses of people who were creating the present and future of Shanghai, the sights and sounds of spring rose and fell like waves in the heart of the revered old man.

People Are Pondering, Exploring, and Planning

On 20 February, Deng Xiaoping left Shanghai for Beijing, carrying with him the Shanghaiese people's confidence in the future and the great plan for developing Pudong.

Deng Xiaoping's inspection of Shanghai set off a new upsurge on both banks of the Pu Jiang. People there were pondering, exploring, and planning: How do we seize this historical opportunity and do all we can to catch up with the advanced? Losing this opportunity would mean losing momentum and falling behind. All people of Shanghai, who have high aspirations and ambitions, should arouse their sense of historical responsibility and realize the urgency of our times through the speeches Deng Xiaoping made during his South China tour, so they can add a new chapter to the rejuvenation of Shanghai and the development of Pudong. The people of Shanghai are expecting Deng Xiaoping to come again next year. Then they will present him with new achievements of reform, opening up, and economic construction.

Article on Opposition to Deng's Reform Effort

HK0505122292 Hong Kong CHING PAO in Chinese
No 178, 5 May 92 pp 26-29

[Article by Huo Szu-fang (7202 2448 2455): "People Close to CPC Top Leadership Not Optimistic About Deng's 'Expedition' Against Leftists, and 'Preparatory Group' for 14th Party Congress Has Been Reorganized"]

[Text] Yang Shangkun Puts Forth Two Proposals

Deng Xiaoping's speeches during his inspection trip to the south earlier this year brought about a strong political whirlwind that stirred and shocked the CPC top leadership. The conservative forces were caught flat-footed and were at a loss for quite some time. The confrontation between the two political camps became

more distinct, and their conflicts became more intense. It is said that even the party's third-generation leadership did not expect Xiaoping's speeches during his trip to the south to evoke such strong political repercussions, so they could not but reconsider how to relay Deng's words to the party. In late February, in accordance with Yang Shangkun's proposal, the CPC Central Committee's Political Bureau held an enlarged meeting to discuss the spirit of Deng's speeches; after that, Yang Shangkun again proposed that the Political Bureau relay Deng's speeches during his trip to the south to all high- and intermediate-level party cadres. The version of Deng's remarks to be disseminated was examined and approved by Deng himself. The aim was to bring the thinking of all high- and intermediate-level cadres in line with Deng's speeches.

Some High-ranking People Denigrated Deng's Speeches

At the same time, however, a high-ranking official who was criticized by Deng Xiaoping by name even advocated this idea: "The stable situation has not been in existence for many years; we should dearly cherish such hard-won stability and should not further expand the scope of dissemination. Ordinary cadres and party members have limited comprehension abilities and may take the words too literally. There may be new confusion in their minds." Thus, the speeches Deng made during his trip to the south were only relayed to cadres at and above the vice ministerial level, and the CPC top leadership did not take any further action for half a month.

In this period, there were intensive activities inside the "leftist" camp, where some contentious comments were made. For example, it was said that, "whenever Deng speaks out, the forces of liberalization will certainly be on the rise." "He does not hold any office inside the party, but why does he still carp and cavil everywhere? Chairman Mao was right in pointing out the lack of credibility of his promise to 'never reverse the verdict' in the past. It was true that he never honored his own promises." "His talks carry no new meaning, and we may just relay them at a short meeting and should not expand the scope of dissemination any further." "It seems turmoil will arise again shortly after the situation is stabilized." "The major danger comes from the right; how can one say the main danger is 'leftism'? This judgement is wrong."

Leading Leftists Still Insist That the Main Danger Comes From the Right

Before and after Deng Xiaoping's inspection in the south, "authoritative theorist" Deng Liqun and RENMIN RIBAO Director Gao Di continued to cause trouble in journals and newspapers under their control, such as: ZHONGLIU [MAINSTREAM], ZHENLI DE TANSUO [EXPLORATIONS OF TRUTH], ZHENDI [POSITION], QIUSHI, DANGDAI SIXIANG [CONTEMPORARY THOUGHT], and RENMIN RIBAO. In February and March, they intensively published articles

attacking Deng Xiaoping's speeches during his inspection in the south. A salient characteristic of these articles was that they all named "right opportunism" as the main danger currently facing China, and this proposition was derived from the remarks uttered by Deng Liqun and a certain elder party leader who backed Deng Liqun. One of Deng Liqun's followers said: "At present, we are undergoing another period of major political upheavals, and the upheavals are in essence the continuation of the '4 June' counterrevolutionary revolt. We must firmly withstand challenges from anyone and from anywhere!" As early as 10 December 1991, LILUN CANKAO [THEORETICAL REFERENCE], a journal run by the theoretical department of RENMIN RIBAO and issued to cadres at the county and regimental level, carried an article entitled "On Seven Issues Concerning the Socialist Concept of Reform" in its fifth issue published on a trial basis, and began to openly criticize Deng Xiaoping's ideas. The article said: "Whether they are conducive to the development of productive forces is not the only criteria for testing the nature of reforms." "If one says that reform is free from the question of whether it bears the surname 'socialism' or 'capitalism,' then one just means that reform can be free from bearing the surname 'socialism' and it can result in replacing socialism with capitalism." "According to the process of peaceful evolution in East Europe and the former Soviet Union, the rise in the ideological trend of right opportunism, men of action who do not care about politics and ideology, and the pragmatic tendency constitute the internal reasons for peaceful evolution." "The greatest and also the most dangerous factor that hinders the development of socialist productive forces is bourgeois liberalization. We must not think that a good economic situation will fully display the superiority of the socialist system and will naturally guarantee the socialist orientation of reform." "Khrushchev dished out such claptrap as the 'whole people's state' and the 'whole people's party' when the economic situation in the Soviet Union took a turn for the better."

Some High-Ranking Officials Encourage Gao Di

At the same time, in accordance with the ideas of a certain elder party leader, the high-ranking official who was criticized by Deng Xiaoping, as mentioned above, and his faction adopted such countermeasures as "withstanding the pressure, consolidating positions, and preparing for a counterattack" through their factional setup in the personnel, propaganda, cultural, and other key institutions they had built in the last two to three years. The high-ranking official encouraged Gao Di by saying: "Don't be daunted by things which are bearing down menacingly, because they will not last long. People still bear in mind the painful lesson from the spread of liberalization. The old man said so much and made people unable to do their work. This state of affairs cannot continue; however, in the last few years, we have gained control of some positions, and the people we appointed are also reliable. It is not easy to replace them. His words (referring to Deng's remarks) can be relayed

and publicized, but we should not make a stir by starting something new and original. At any time, we must keep stressing stability and the struggle against bourgeois liberalization. In particular, we must keep our own position intact and must not be thrown into confusion. Some people inside RENMIN RIBAO may take advantage of this opportunity to stir up trouble. You should keep a close eye on the situation, especially the activities of those who were proponents of liberalization a few years ago. They must not be allowed to talk so much. If there is anything special, you may report directly to me and may tell Jiang Zemin about it. Remember, act carefully." In accordance with this instruction, Gao Di organized a secret group inside the newspaper office especially for dealing with editors and reporters who dared to criticize them, and adopted such means of intimidation and harassment to preclude the masses from making criticisms and comments.

Qiao, Li, and Ding Are Responsible for Preparing the 14th Party Congress

People who have access to Zhongnanhai revealed that the systematic and well-organized activities of the conservatives inside the party to resist Deng Xiaoping's speeches during his inspection in the south were made known to Deng Xiaoping and Yang Shangkun through various channels. In early March, in accordance with Deng Xiaoping's opinion, Yang Shangkun proposed that a plenary meeting of the Political Bureau be immediately convened to form a consensus, and that an official document be issued in the name of the Political Bureau to relay the spirit of Deng Xiaoping's speeches to the entire party and all the people throughout the country. The Political Bureau meeting lasted three days. At the meeting, Jiang Zemin took the lead in making self-criticism, and said that he was not bold enough in carrying out the reform and opening policy, lacked a pragmatic work style, failed to sensitively feel the coming of a new opportunity for reform and opening, relaxed vigilance to a certain extent against the ideological tendency of "leftism," and allowed "leftist" things to seriously disrupt reform and opening. The Political Bureau meeting decided that Qiao Shi and Li Ruihuan, members of the Political Bureau Standing Committee, and Ding Guangen, alternate member of the Political Bureau, should be fully responsible for preparing the personnel affairs, the political report, and other affairs of the 14th party congress. It was also made clear that Li Ruihuan would continue to be in charge of ideological work, and Tian Jiyun would take charge of agricultural work. Song Ping was told not to meddle excessively in the work in these two fields. The meeting dealt a heavy blow to the conservative forces inside the CPC and temporarily checked their activities for creating stubborn resistance and preparing for a counterattack.

Before that, the CPC Central Military Commission held an urgent meeting under the control of Yang Shangkun and Yang Baibing to stress that the Army's main task at present for a fairly long time to come is to "defend and

guarantee the smooth development of reform and opening" and that "the Army's work in all fields must be arranged and conducted strictly in line with the spirit of Deng Xiaoping's speeches during his inspection of the south."

After the Political Bureau meeting, Li Ruihuan enjoined RENMIN RIBAO to examine the "leftist" problems in its propaganda work in connection with the study of Deng Xiaoping's speeches.

All these moves were made in concert with Deng Xiaoping's activities.

Opponents of Reform Have Not Been Handled

It is now still hard to say, however, whether the political structure will be positively remolded according to Deng Xiaoping's requirement for "speeding up reform, opening, and economic development." People have noted that, after the Political Bureau meeting, the Central Advisory Commission and the Central Discipline Inspection Commission did not hold meetings as they used to in order to echo the spirit of the Political Bureau meeting. In addition, no one in various political forces that are obstructing reform and opening has been subject to any disciplinary measure.

In his Government Work Report to the Fifth Session of the Seventh National People's Congress [NPC], Li Peng only quoted a number of passages and fragmentary words from Deng Xiaoping's speeches during his inspection of the south and did not make any substantive major arrangements for advancing reform and opening. In addition, he also sidestepped such key issues as mainly guarding against "leftism" and quickening the economic growth rate. After being strongly criticized by the NPC deputies and the members of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], he could not but insert those two points in the final version of the Government Work Report. This indicated that there were still differences at the plenary meeting of the Political Bureau over whether the Government Work Report should mention the issue of guarding against "leftism."

The Psychological Hurdle for the Reformists

The CPC high-ranking leaders can be divided into three forces, namely, supporters, opponents, and middle-of-the-roads according to their attitude toward Deng Xiaoping's speeches during his inspection of the south. According to the actual political status of the representative figures of these three forces inside the CPC central leadership for the time being, the political forces that support Deng Xiaoping's reform ideas still do not have enough strength to thoroughly get rid of the disruptive conservative forces. The greatest psychological hurdle for the reformists comes from the fact that the two previous party general secretaries were both punished much more severely for being persistent and resolved in carrying out reform than the "leftists" who had produced far more damaging effects. They have every reason to think that

the requirement for "adhering to the four cardinal principles and also persisting in reform and opening" is in fact an expedient rule for power struggles in which "those who hold greater power can interpret it as they like." There is absolutely no guarantee of the reformers' legal status. Once Deng Xiaoping is constrained strongly by the "leftist" political forces, he may draw back his hand for reform at any time and stretch out his hand for "upholding the four cardinal principles." Moreover, as Deng is 88 years of age, if he passes away, no one knows who will replace him as the party's paramount leader. So it is very likely that another blow would be dealt to the reformers.

The 12-Character Tactics Adopted by the "Leftist" Forces

At present, the behavior of the political forces opposed to Deng Xiaoping's idea of reform and opening has caused people much apprehension. The basic tactic they have adopted is: "Taking over the catchwords, consolidating positions, and changing the contents." Relying on their advantages of standing in the political forefront, controlling the mass media, and being backed by elder party leaders and by the continuing reinforcement of highly centralized state power, they are trying to offset the effects of the political whirlwind brought about by Deng Xiaoping's inspection in the south. A go-getter in the "leftist" clique said in private: "If we can withstand the pressure for one year, the wind will abate and we will still be in complete control of the situation!"

The "Leftist" Forces Form a Strong Alliance

In Beijing, some people close to the CPC top leadership warned that people should not be excessively optimistic about the effects of Deng Xiaoping's recent "expedition" against the "leftists." They pointed out a number of unfavorable factors:

First, after the "4 June" incident, the "leftist" political forces formed a strong alliance among the high-ranking CPC leaders, and reformists or reform-minded leaders rising in the 10 years of reform were almost completely kicked out of power. Reform-minded officials who were promoted recently go not yet have a firm foothold or have not built up their own power bases, so they may not be able to accomplish anything, even though they wish to do so.

Second, the "leftists" have done many things in the ideological field in recent years. They have set up an integrated ideological system, have built up a well-organized backbone force, and have gained control of many propaganda positions and the mass media that can echo one another. They now hold the power to interpret and disseminate CPC policies and principles, and can also effectively muffle, repress, and distort differing voices and opinions inside and outside the party. By relying on such advantages, they can effectively constrain the spread of Deng Xiaoping's reform ideas and thought, weaken the support from public opinion that is

indispensable to the reformists, create confusion in people's minds, and provide an effective public-opinion guarantee for the eventual termination of the implementation of the policy for reform and opening.

During his inspection in the south, Deng Xiaoping said: "Not carrying out debates is my invention. Without debates, we can have more time to do solid work. If there are debates, things may become more complicated, and we may waste time and accomplish nothing." Deng called for stopping all debates; however, the conservatives again and again opened debates over the last two years and even openly raised the question of "bearing the surname 'socialism' or 'capitalism'" in an attempt to negate the contract responsibility system on a household basis with remuneration linked to output, the existence of foreign-funded enterprises, the special economic zones, market economy, and the basic line of taking economic construction as the central task, thus bearing down step by step on the cause of reform and opening initiated by Deng Xiaoping. They also secretly labeled Deng Xiaoping as "a modern right opportunist characterized basically by pragmatism." Therefore, if no debates are carried out, leadership in the ideological field will just be handed over to the conservative forces, and this will inevitably cause losses to the cause of reform and opening. If one does not want to see the conservatives continuously holding dominance over the ideological field, one must not avoid debates with them. On this point, Deng Xiaoping is found to be holding a misconception.

Why Did Deng Not Take Severe Action Against the Conservatives?

Third, Deng Xiaoping deeply admires the development strategy followed by the "four little dragons" in Asia, where economic openness is accompanied by political centralism. On the whole, Deng Xiaoping is not willing to reform the existing highly centralized political structure through any steps toward democratization. In this connection, he shares the same position as the conservatives within the party. **This is also the reason he never takes any severe action against the conservatives inside the party and, instead, maintains a certain degree of alliance with them.** It requires a superb political technique and substantial political power for one to carry out reform and prompt opening while maintaining a highly centralized political structure through an alliance of sorts with the conservative forces. Deng Xiaoping himself does not lack such technique and power, but it is never easy for him to actually set things in motion. On the one hand, he is already at an advanced age and cannot attend to everything himself; on the other hand, in order to keep the political scale balanced, he must not incline to either side. The "4 June" incident made Deng lose this impartial position, however, and led him to lean toward the conservative side. This resulted in serious debilitation of reform forces and the substantial expansion of the conservative forces. Then, the swelling conservative forces in turn became a major obstacle to his attempt to continue to pursue the reform and opening policy. The

highly centralized political structure thus fell into an imbalance and lost its dynamism and effective functions in operation. This was followed by disorder and stagnancy. The greatest difference between China and the "four little dragons" in Asia lies in China's gigantic size and the existence of wide gaps between different localities, between cities and the countryside, and between the intelligentsia and the masses of workers and peasants. In order to guarantee social stability, China needs a higher degree of political centralism than the "four little dragons"; but in order to seek economic development, China needs a higher degree of economic decentralization than the "four little dragons." Thus, China is facing a much sharper contradiction between the purposes of maintaining stability and seeking development than the "four little dragons." The "four little dragons" may successfully apply a high degree of political centralization to ensure their economic openness, but China may not succeed in doing this. For example, centralization suited to the countryside may not be suited to cities; centralization suited to workers and peasants may not be suited to the intelligentsia; and centralization suited to backward localities may not be suited to developed localities. All such "unsuitability" may be felt by the central authorities, and may make it very different for the central authorities to formulate consistent and congruent policies and principles. **Differences in the top leadership must be resolved through coordination and arbitration by the paramount leader. Once the paramount leader is gone, it will be hard to maintain China's stability and continue its development.** The dilemma that the highly centralized political structure is facing has made the task of reforming the political structure through democratization more and more prominent. In particular, as the reform forces in the CPC top leadership remain rather weak and the political structural reform lacks support, it seems it will be very difficult to carry on economic reform in China for a long amount of time.

What Are People More Concerned About at Present?

At present, the NPC and CPPCC sessions in China have concluded, with most NPC deputies and CPPCC National Committee members expressing their warm endorsement of and support for Deng Xiaoping's reform and opening thought at the meetings. This represented Deng's first victory. But will he win a second victory? Will he continue to win victories one after another? People need to wait and see. In the early 1980's, the main subject of reform in China was the adoption of the contract responsibility system on a household basis with remuneration linked to output in the countryside; in the mid-1980's, the main subject of reform in China was the delegation of management power to urban enterprises, the adoption of the contract system, and the establishment of a new structure for the planned commodity economy; what will the main subject of reform in China be in the 1990's? People find that it is rather ambiguous and indistinct.

At present, people in all walks of life in Beijing are more concerned about what is to be done and who is to do it

rather than what Deng Xiaoping has said. They are also concerned about whether reformists will be promoted, whether the leading leftists and the go-getters of the leftist forces will step down from power, whether the Central Advisory Commission will be disbanded.... All this will be answered by the facts in the future.

Tian Jiyun Proposes 'Special Leftist Zone'

HK0705020892 Hong Kong SOUTH CHINA MORNING POST in English 7 May 92 p 1, 10

[By Willy Wo-lap Lam]

[Text] China's vice-premier, Mr Tian Jiyun, has called for the establishment of a "special leftist zone" to which the country's hardline Marxists should be banished.

Mr Tian, a leader of the liberal faction, said reform would have no future unless the party "went the whole hog" with its anti-leftist campaign.

His call to arms, the toughest on the remnants of Maoism since 1989, was made at a speech late last month to senior cadres at the Central Party School in Beijing.

Mr Tian, speaking sarcastically, said that the best way to implement patriarch Mr Deng Xiaoping's instructions on fighting "leftism" would be to isolate its followers.

"Let us carve out a piece of land where policies favoured by the leftists will be practised," he said.

"For example, no foreign investment will be allowed there, and all foreigners will be kept out.

"Inhabitants of the zone can neither go abroad nor send their children overseas.

"There will be total state planning. Essential supplies will be rationed and denizens of the zone will have to queue up for food and other consumer products."

Mr Tian said he wondered whether the most vociferous supporters of leftism would be so faithful to their creed as to want to live in such a zone.

"Some leftists have derived immense material benefit from the policy of reform and the open door, but they still bad-mouth the policy," he said.

Mr Tian, a protege of ousted party chief Mr Zhao Ziyang, then launched into a discussion of the dozen-odd manifestations of leftism, or Maoist tendencies.

These included equating foreign investment with "capitalism", and the rural contract responsibility system and the stock system with "privatisation".

Participants at the gathering, who included senior officials from the provinces, broke up Mr Tian's speech with round after round of thunderous applause.

"Not since the days of (the late party chief) Hu Yaobang has a speaker at the Party School got such an enthusiastic reception," a Chinese source said.

Copies of the video of Mr Tian's speech are being distributed to Party School students as well as senior cadres in Beijing.

In his address, Mr Tian also disputed claims recently made by such noted ideologues as Mr Deng Liqun that the 1950s, when Maoism held sway, was the golden age for the country.

"Some people say the 1950s was perfect," Mr Tian said. "But how good was this period really?"

"I was then a deputy head of an office in Sichuan province. On holidays, the first thing I asked my wife was whether we still had ration coupons for meat. Then we would spend hours waiting in line."

The vice-premier also cast aspersions on members of the so-called Wind Faction, or politicians who shift with the wind.

He hinted these opportunists were merely paying lip service to Mr Deng Xiaoping's recent edicts.

Chinese sources said leaders of the Wind Clique included party chief Mr Jiang Zemin and the Prime Minister Mr Li Peng.

Since the patriarch unleashed his anti-leftist crusade in the south, only a relatively small number of politicians have expressed their full support.

These have included Mr Tian, chief political commissar-general Mr Yang Baibing, and security chief Mr Qiao Shi.

'Stories From Newsroom' Views Domestic Disputes OW0705080492

[Editorial Report] Beijing Central Television Program Two Network in Mandarin at 1135 GMT on 6 May broadcasts an 86-minute two-part installment of the series "Stories From the Newsroom" entitled "Who is Right and Who is Wrong." The number of the episode is not given

The episode studies the consequences of reckless action on the part of reporters from the SOCIAL GUIDE journal in their enthusiasm to help an estranged couple. The story begins with the wife writing a letter to the journal accusing her husband of spouse abuse. Her accusation is not well-founded, but, out of sympathy toward abused wives in general, SOCIAL GUIDE publishes her story without carrying out a full investigation.

Immediately after the story is published, the wife visits the journal to demand that it publish a correction to the story, saying that, instead of helping her, the story has ruined her relationship with her husband. She threatens to sue the journal if it does not comply with her demand. The episode ends with a remark by one of the reporters that "even an upright official finds it difficult to settle a family quarrel," an old Chinese saying which was ignored by the reporters in this instance.

'People's Forum' Advocates Being Open-Minded

HK0705083892 Beijing RENMIN RIBAO
in Chinese 25 Apr 92 p 4

["People's Forum" by Hu Siyong 5170 1835 0516: "On the Word 'Open'"]

[Text] Opening up is a popular topic. Here, I only want to discuss the word "open."

First, we must open our eyes. When a blind man gropes for an elephant, he says it looks like a pillar when he reaches one of its legs and says it looks like a fan when he reaches one of its ears. The ludicrous conceit of the feudal king, who viewed his land as the central nation, stemmed from his habit of closing his eyes and from his reluctance to look at the changes in the world, to the extent that he violently cursed Western mathematics and geometry, saying that they were "evil tricks" and lashing out at the locomotive and railway he saw, saying that they were "the stupidest and silliest things." Hence, with our complacency, cautiousness, and conservativeness, we became backward; we invented gunpowder but we could not beat the foreign powers who had big guns and boats. Today, a new world order is taking shape, a new technological revolution is developing rapidly, and China is facing a critical moment. If we do not open our eyes to look at this world in which opportunities and challenges coexist, and to look at how far we lag behind the world's advanced standards but care only about the food we are cooking in our pot and the clothes we are wearing on our backs, how then can we have a sense of urgency toward opening up?

Besides, we must be open-minded. A big river takes shape when a hundred small streams flow into it; the Five Mountains stand on top of numerous small hills. We are materialists, and there is no reason we cannot apply penicillin to our sores just because it is a Western invention. On the contrary, it is the Marxist who is most fond of borrowing as well as the one who is most skillful at it. Marx "borrowed" from Hecker and Feuerbach for his theory. Approximately 70 years ago, Lenin pointed out that "it is good to absorb the good things from abroad. Add Soviet government, Prussian railway order, and American technology, trust system, education, and so on... to socialism." Different systems have their own strong points and weaknesses. Some capitalist management and operation methods are indeed desirable. Should socialism want to develop productive forces and keep satisfying the growing material and cultural needs of the people, it must, when giving play to its own strong points, borrow and learn from capitalist countries' all the management and operation methods which reflect the rules of collectivized production—like penicillin, this has nothing to do with politics.

When we understand this, we will have the courage to march forward, think, and do things. At present, some localities cannot march forward because sometimes they see the old concepts and sometimes they do not; when they timidly ask the question of whether what they are

doing has "capitalism" or "socialism" for a surname, time elapses and other people have advanced. But Shenzhen never turned back. It marched ceaselessly and created a miracle and, today, the amount of foreign exchange it earns in one day equals the amount of foreign exchange it earned in a whole year in the past. Judging from this, opening our eyes is the basis, emancipating our minds is the crux, and marching forward and developing the economy is the purpose.

In the final analysis, the word "open" is indispensable to reform and opening up.

State Councillor Li Tieying Views Musical

*OW0105194292 Beijing Central Television Program
One Network in Mandarin 1100 GMT 1 May 92*

[From the "National News Hookup" program]

[Text] Yesterday evening, the Radio, Film, and Television Ministry organized a concert at Zhongnanhai's Huairan Hall. The concert was performed by prize-winning singers who participated in the fifth national youth spare-time singing competition. More than 50 prize-winning singers performed. They were staff members and workers from the various fronts of the country and were cultural activists from various units. Their fine and exquisite voices expressed their festival greetings to the people of all nationalities working on various fronts of the country.

State Councillor Li Tieying, member of the Political Bureau of the CPC Central Committee, watched the performances. [Video shows closeup shot of Li Tieying among the audience watching show]

CPPCC Vice Chairman Ye Inspects Hubei

*HK0605032192 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 2 May 92*

[Excerpts] From 29 April to 1 May, accompanied by Dong Yusen, provincial Chinese People's Political Consultative Conference [CPPCC] Committee vice chairman, Ye Xuanping, CPPCC National Committee vice chairman, inspected the Wuhan Iron and Steel Plant, Ezhou City, and Huangzhou City. [passage omitted]

Provincial party committee Secretary Guan Guangfu, provincial Governor Guo Shuyan, and Comrade Li Erzong also especially called on Comrade Ye Xuanping during his stay in Hubei.

Comrade Ye Xuanping also met, held cordial talks, and had a group photo taken with Shen Yinluo, provincial CPPCC committee chairman, and Mu Changsheng, Hu Hengshan, Zhang Wencai, Han Wenqing, Xie Zhi, Shi Quan, Ping Linbo, Zhou Zibai, Jian Tiancong, and Zeng Zhonglang, provincial CPPCC committee vice chairmen.

Zheng Qun, Guangdong Provincial CPPCC committee vice chairman, accompanied Comrade Ye Xuanping to Hubei.

Vice Premier Zou Attends Ceremony in Shenzhen

*OW0405132192 Beijing Central Television Program
One Network in Mandarin 1100 GMT 3 May 92*

[From the "National News Hookup" program]

[Text] Mr. Li Jiacheng, a well-known figure and industrialist in Hong Kong, has for the first time invested in Shenzhen and has become a partner of the Shenzhen Changhe Industrial Company Limited. A contract signing ceremony was held in Shenzhen recently.

The Shenzhen Changhe Industrial Company Limited is a joint venture of the Shenzhen City Investment and Management Company, the China Machine-building, Electrical Appliance, Light and Textile Industries Investment Company, and Mr. Li Jiacheng's three major companies, with a registered capital of 200 million Hong Kong dollars.

Its operation will include industrial production and commerce, as well as real estate, transport, banking, telecommunications, and energy source businesses.

Before the signing ceremony began, Vice Premier Zou Jiahua met Mr. Li Jiacheng and his son Li Zeju. [Video shows medium shots of Zou Jiahua at a reception, and medium shots of him shaking hands with Li Jiacheng and others]

Nie Rongzhen Greets State Shipbuilding Company

*OW0205054592 Beijing XINHUA Domestic Service
in Chinese 2105 GMT 1 May 92*

[By reporter Li Xiuqing (2621 4423 3237)]

[Text] Beijing, 2 May (XINHUA)—In the 10 years since it was founded, the China State Shipbuilding Corporation has achieved splendid results and has helped push China's shipbuilding industry to a new stage of development. In light of this, Marshal Nie Rongzhen extended his greetings by inscribing the words: "Open Up New Paths, Endeavor To Develop the Shipbuilding Industry."

The China State Shipbuilding Corporation was founded on 4 May 1982 on the foundation of the former Sixth Ministry Machine-Building Industry. In the early days of its founding, the shipbuilding corporation faced a grim situation of reduced domestic orders and a depressed international shipbuilding market. This, however, did not shake its determination to uphold the center's policy of reform and opening to the outside world. It took a new path of combining military and civilian production and orienting itself toward the needs of both the domestic and international market. It strengthened its internal management and made vigorous efforts to develop new markets. In addition, it undertook three lines of business

simultaneously: Ship building, ship repair, and the manufacture of non-ship products. As a result, it opened new horizons in developing China's shipbuilding industry. Its production value in the last 10 years was 1.4 times that of the preceding 30 years, and tonnage was 2.5 million over that of the 30 year total. Today, the corporation is exporting to more than 60 countries and regions, and its export volume is 15 times that of the preceding 30 years. In addition, it has realized its goal of quadrupling the value of ship repair 10 years ahead of schedule, earning a considerable amount of foreign exchange for the country. The production of civilian ships has become an important pillar of its shipbuilding business, the value of civilian ships produced now accounts for more than 80 percent of its total output value, as compared with 40 percent in the past. Last year, non-ship production was nine times greater than that of 10 years ago.

Science & Technology

Vice Minister on Science, Technology Reform

HK0705105892 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 16, 20 Apr 92 p 10

[By staff reporter: "China's Scientific, Technological Management Reform Moving to New Heights—Interviewing Li Xue, Vice Minister in Charge of State Science and Technological Commission"]

[Text] In the past seven years, important progress was made in a series of reforms related to China's scientific and technological research structure, which were initiated to cope with the traditional structure's shortcomings, such as separation of scientific and technological research from economic activities, which has hindered scientific and technological personnel from giving full play to their ability and talents. Consequently, the scientific and technological research operational mechanism and structure have undergone profound changes, and a new structure full of vitality and vigor is emerging.

The recent release of the "National Long- and Medium-Term Scientific and Technological Development Program," the "Outline of National Long- and Medium-Term Scientific and Technological Development," and the "Outline of the PRC's 10-Year Program and Eighth Five-Year Plan for Scientific and Technological Development" no doubt serves as an impetus to the further, wholesome development of science and technology in this country; it will liberate science and technology's capacity as the primary productive force to the maximum, and it will guide China's scientific and technological development in heading for a still higher goal.

At the time these programmatic documents were being released, Li Xue, vice minister of the State Science and Technology Commission, told this reporter: "The Eighth Five-Year Plan will be a crucial stage for scientific and technological development and for scientific and technological research management reform in China. This stage is to carry forward previous achievements and

open up a new era. Therefore, in this period, we must continue to uphold the principle of integration between reform and development and between reform and China's national conditions, and to expedite the comprehensive development of scientific and technological research at three levels, namely, scientific and technological development which is geared to the needs of economic construction as the main endeavor; high-tech research and the development of high, new technology industries; and basic research.

Li Xue emphasized that in the future reform of China's scientific and technological research structure, we must, first of all, continue to implement the general strategic principle of "economic construction being dependent on science and technology while scientific and technological research is geared to the needs of economic construction," and we must strive to scale new heights in science and technology. Our practical experience since the reform and opening up has shown that this strategic principle is correct.

He pointed out: Science and technology's self-development requires us to strive to scale new heights, turn in more achievements, and produce more qualified personnel. The higher and newer the science and technology, the better. Since the reform and opening up, this guideline has been followed in scientific and technological research at all three levels and is embodied in other scientific and technological development plans. In future reform, we must consider all research areas and all academic disciplines while focusing on certain fields and projects. We must not only produce more output but also good output, and still greater efforts must be made to spread and apply scientific and technological research results to commodity and industrial production. We must not only develop traditional industries but must also vigorously promote high and new technology industries and apply high and new technology to the transformation of traditional industries. We must not only uphold the principle of self-reliance and promote research and technological development on our own but we must also vigorously step up import, assimilation, upgrading, and development of advanced technology.

Li Xue said: From now on, we must set great store by and truly increase investment in scientific and technological research. It is necessary to make efforts to increase the amount of investments in scientific and technological research, so that the proportion of society's total expenses on scientific and technological research and development in relation to the GNP will gradually increase from 0.72 percent in 1991 to a level comparable to that of a moderately developed country, say, 1.5 percent. To this end, we must establish and perfect a scientific and technological research investment system with various channels at different levels.

In the meantime, we must rationally use funds for scientific and technological research, increase economic returns, ensure financial appropriations to key strategic

scientific and technological research projects, and add to the country's potential for future development.

It is also important to our efforts to reform scientific research bodies in depth and to actively, steadily, and properly arrange for scientific research institutes to rationally regroup with each other so that they can play their due roles, Li noted. In the next few years, while carrying out further in-depth reform of the scientific and technological research operational mechanism, we must push ahead the organizational structure's readjustment and gradually build up a well proportioned, streamlined, and highly efficient research and development structure full of vitality and vigor.

Li Xue pointed out: A key task for the scientific and technological research sector is to speed up the construction and reform of high and new technological industry development zones and to speed up the development of high and new technological industries. The 27 existing national high and new technological industry development zones not only enjoy the superiority derived from the integration of high technology and commodity economy but also all the preferential policies which are comparable to those offered to special economic zones. These are very favorable conditions.

Li said: To step up the reform and development of high-tech development zones, the State Commission for Restructuring Economy and the State Science and Technology Commission have made a joint decision: With the focus on the reform in the three aspects, namely, property rights, the distribution system, and the integration of management of economic plans and market regulation, efforts will be made to fulfill the goal of commercialization of high and new technology, their application to industries, and their spread worldwide, thus pushing ahead the reform and development of the social security system, the socialized supporting service system, and so on.

Li Xue also mentioned reform plans in other areas, including:

- Establishing and perfecting a scientific and technological advancement system for enterprises. As far as this is concerned, an important task in deepening the scientific and technological research structure reform is to promote scientific and technological advancement in enterprises, especially in large and medium enterprises.
- In-depth development of the reform of the scientific and technological research structure in rural areas. It is necessary to establish and improve scientific and technological advancement, scientific and technological service, and scientific and technological research management systems in rural areas to develop an environment where massive scientific and technological research supports large-scale agriculture.
- Establishment of a new mechanism characterized by the integration of economic plan management and

market regulation. It is necessary to gradually reduce the weight of mandatory plans while increasing the scope of guiding plans.

- Further improving the system for protecting intellectual property rights and accelerating legislation in this area; further implementing the laws and regulations concerning scientific and technological development and economic operation that have already been enacted, and improving support policies. As far as this is concerned, it is necessary to step up the formulation of basic legislature for the guidance of development of science and technology in the new period, such as the laws on governing scientific and technological advancement, on encouraging scientific and technological research, and on governing the operation of research institutes.
- Perfecting the scientific and technological personnel administration policy, and deeply developing scientific and technological personnel administration structure reform.

To conclude, Li Xue said: Although we are still facing many difficulties and problems, we have, after all, initiated the transition from the old structure to the new, and commenced the process to change from the traditional ideological concept to the new. We have full confidence in the success of further reform.

Academy of Science Report Foresees New Lifestyle

OW0605212192 Beijing XINHUA in English
1626 GMT 6 May 92

[Text] Beijing, May 6 (XINHUA)—In the future Chinese citizens will travel long distances by train, eat food mainly from plants, live in apartment buildings surrounded by parks, and the major means of transportation for urban residents will be buses, trolley buses and subways.

This was the futuristic picture painted by a research group from the Chinese Academy of Sciences (CAS) in a recent study submitted to the State Council. The study calls on the Chinese people to live an even more thrifty life.

"China must travel an untraditional road as it strives for modernization," according to the study. "It must choose a national economic system and way of life different from that in developed nations and must consume less quantities of natural resources."

This was the second report released by the State of the Nation research group of the CAS—China's highest level scientific advisory body, since 1988.

The first report was entitled "Survival and Development," while the second was entitled "Resources Potential and Countermeasures."

According to the study, the Chinese population will reach 1.5 billion during the next three decades, while per

capita farmland will drop to 0.08 hectares, and per capita water resources will drop to 1,800 cubic meters.

"As a result, the capacity of the Chinese agricultural resources will reach its critical point," the report warns.

The report adds, "China could meet a crisis of shortages of key mineral resources and oil."

The study proposes the establishment of a resource-saving national economic system as the fundamental countermeasure to combat the crisis. The measures include:

- a land and water-saving agricultural production system, which includes multi-cropping of plants, advanced irrigation systems, and technology-efficient fertilizing systems;
- an energy and material-saving industrial production system, which includes reduction of energy and material consumption, recycling of industrial waste water, reprocessing of waste, and a halt of repeated and low-level capital construction;
- a power-saving transportation network, of which railways will form the core, with supplements from motor vehicles, ships, and aircrafts; oil, gas and coal-slurry will be shipped through pipes;
- a lifestyle and service system characterized by thrift, including in matters of diet; wearing synthetics instead of cotton; living in apartment buildings surrounded by parks and public entertainment centers; central heating and gas systems; and buses, trolleys and subways as major means of transportation for urban citizens.

The study calls for an establishment of a national market of resources and an increase of prices of the resources which are rare and in short supply. "Resources cannot be too much cheaper than finished products," explained professor Zhou Lishan, head of the research group.

The study suggests the country develop other industries including commerce, service, construction and tourism and send more labourers to work abroad.

"The proposals in the study comply with the country's actual conditions," noted Professor Zhou Guangzhao, president of CAS.

Military

Army Paper Commentator on Studying Party History
HK0205025492 Beijing JIEFANGJUN BAO in Chinese
20 Apr 92 p 1

[Commentator's article: "Have Better Understanding, Firmer Faith Through History Studies"]

[Text] At present, the troops of the whole Army, guided by Comrade Deng Xiaoping's important theses on building socialism with Chinese characteristics, have successively begun CPC history studies and education.

This is the continuation and advanced stage of our Army's education in socialist beliefs in the last few years and is also an important step taken by the Central Military Commission and headquarters for further strengthening the Army's political buildup.

History is the mirror of the present reality, and is also a harbinger of the future. Only by having knowledge about the past are we able to understand the present profoundly and more accurately foresee the future. The history of the CPC shows how the party has traversed innumerable twists and turns and won one victory after another. It is a magnificent epic of the Chinese Communists' heroic struggle for the realization of the communist ideal. It displays the brilliant course of the Chinese people's endeavor to take their destiny into their own hands. Therefore, it provides us with telling teaching materials in our education in socialist beliefs. CPC history study and education are of great significance for clearly understanding the law governing the development of modern and contemporary Chinese society; comprehensively, accurately, and profoundly understanding Comrade Deng Xiaoping's important theses on building socialism with Chinese characteristics; more firmly safeguarding this road, this system, and these policies; and more confidently participating in the great cause of modernization, reform, and opening.

To organize CPC history study and education, we should tightly grasp the guideline of "having a better understanding and firmer faith through studying history." In the period of new democratic revolution, our party proceeded from the then national conditions of China as a semi-feudal and semi-colonial society, creatively combined the basic principles of Marxism with the concrete practice of the Chinese revolution, and found the path of democratic revolution with Chinese characteristics marked by such points as encircling the cities from the rural areas and seizing state power through armed struggle. Through carrying out arduous struggle to overcome extreme hardships and difficulties, the party eventually overthrew the three big mountains [imperialism, feudalism, and bureaucratic capitalism] and established the PRC. In the new historical period of socialism, the party also proceeds from our national conditions while China remains in the initial stage of socialism, exploring the basic laws that govern socialist construction. Through traversing twists and turns and summing up both positive and negative experiences again and again, the party gradually established its current basic line of "one center, two basic points," found the path of building socialism with Chinese characteristics, and made great achievements attracting worldwide attention in the course of modernization. The 70-year history shows us that the CPC had the ability to win victory in revolution and win China's independence and liberation from suffering and the state of being oppressed; and the CPC also has the ability to carry out modernization, reform, and opening successfully, thus guiding China to shake off poverty and backwardness and to become prosperous, wealthy, and powerful. To have better understanding, the most important thing is to clearly discover and understand the laws governing the development of China's revolution and construction, to clearly understand the party's great achievements and basic experiences,

and to clearly understand the party's political advantages. To have firmer faith, we should firmly believe that the CPC is a great, glorious, and correct party that can stand the tests of any difficulties and setbacks, firmly believe that the socialist system has unparalleled superiority, firmly believe that the theory and line of building socialism with Chinese characteristics put forward by Comrade Deng Xiaoping represent the sole correct way to realize modernization in China, and firmly believe that the party's absolute leadership is the soul and foundation for our Army's establishment. Thus, we shall be full of confidence in the future victories of our party and state.

The fundamental purpose of studying history and having a better theoretical understanding is to make us more conscious in implementing the party's basic line of "one center, two basic points." Party history study and education should be guided by Comrade Deng Xiaoping's important theses on building socialism with Chinese characteristics. Through party history study and education, we should understand more deeply Comrade Deng Xiaoping's important theses; firmly bear in mind the conception of keeping the party's basic line in force for 100 years without change; deeply understand the party central leadership's major strategic decision on grasping favorable opportunities, quickening the pace of reform and opening, and accelerating economic growth; further emancipate our minds and devote our political enthusiasm aroused by study and education to the great cause of building socialism with Chinese characteristics and building a modern and regular revolutionary Army.

CPC history study and education will be a major task of the whole Army's political work this year. It must be carefully organized and conducted. Effective guidance should be given to it. Study and education among cadres should be properly conducted first. Cadres at and above the regimental level should consistently follow the format of combining individual studies, party committee central group studies, and studies through attending training courses in rotation. Party history study and education should be combined with the routine work of strengthening party building and should give an impetus to the reform of political education, thus achieving better results. It is necessary to promote the work of the troops in all fields through party history study and education so that new achievements can be made to greet the 65th anniversary of the Army's founding and the convening of the 14th party congress.

Economic & Agricultural

RENMIN RIBAO on Steel Firm's Reforms

Managerial Mechanism Changes Lauded

HK0605131492 Beijing RENMIN RIBAO in Chinese
22 Apr 92 p 2

[Article by Mo Bian (5459 6708): "A 'Weaning' Effect on the Anyang Iron and Steel Company's Exploration of Establishing a Self-Development Mechanism"]

[Text] The Anyang Iron and Steel Company was still a "baby" that had to be nursed even when it was 21 years old, but it has grown and strengthened in the course of reform and is blazing new trails for its future with great confidence, like a young man full of vigor and vitality.

The year 1980 was a turning point in Anyang Iron and Steel's development. This large iron and steel enterprise of Henan Province was built in 1958, but for a long time, it had been "congenially deficient," and its main equipment was not of a complete range. Up until 1979, the year before reform, it had a 21-year history of zero profits, with a net loss of 150 million yuan. The enterprise trudged along with great difficulty.

The Henan provincial government approved of Anyang Iron and Steel Company's undergoing contracted managerial responsibility in May 1980. Since then, the company has gotten rid of its desperate situation, and its features have undergone profound changes. In 1991, it realized 319 million yuan in profit and tax, up over 12 times from 1979; it has handed over to the state an accumulated sum of 125 million yuan in 12 years, and increased 600 million yuan worth of fixed assets with retained profits, six times the company's total assets in 1980.

An Impetus To Tap Potential on Its Own

The 12-year reform was a process in which the Anyang Iron and Steel Company could explore the establishment, completion, and perfection of its self-development mechanism. The most conspicuous change since the implementation of contracted responsibility was that the enterprise has replaced the state as the subjective aspect in investment. During the Seventh Five-Year Plan period, the state approved the Anyang Iron and Steel's Nine-Year Plan for development, transformation, and expansion, with a total investment of 630 million yuan; the requirement was that, by 1994, a production scope of 1 million tons of steel should take shape. The provincial government required the company to collect 350 million yuan for investment on its own during the Seventh Five-Year Plan period, achieve turning out 900,000 tons of steel and handing 200 million yuan in tax and profit to the state in 1990, and realize general contracted responsibility for input and output within five years.

That was quite a heavy burden! However, the company's people, deciding their own fate now, were willing to take it up. Through repeated demonstrations, weighing the pros and cons, they decided to readjust the original plan with improvement of economic returns as the center, place the focus of transformation on iron and steel-smelting, and give play to the production potentials of existing blast and steel-smelting furnaces. As a result, with an investment of 250 million yuan, namely, a quarter of the original plan, the target of an annual steel output of 1 million tons was realized in 1989, overfulfilling the provincial government's target of 900,000 tons one year ahead of schedule, and five years ahead of the development target the State Council had approved.

Because the company upheld the principle of tapping potentials and transformation by intensive means, the equipment's capacity was given effective play. The output of its three 15-ton converters was 800,000 tons in 1991, more than doubling their design capacity, and their utilization coefficient has been among the top in converters of the same category in China for five consecutive years. The utilization coefficient of its four sintering machines exceeded 2, and has ranked first in China five years running. The company's steel output was 1.17 million tons, pig iron 960,000 tons, and steel products 820,000 tons in 1991, a record high for all three.

Since the implementation of contracted responsibility, the company's accumulated investment was 689 million yuan, and newly increased profit and tax was 1.597 billion yuan, with a 231 percent return on investment. A sound cycle of input and output has been maintained, and the company has gradually taken the road to self-accumulation, transformation, and development.

Learn To Swim in the Wind and Storm of the Market

Under the prerequisite of fulfilling mandatory plans, the company's steel output in excess of the production target for its own marketing has increased with each passing year with the continuous improvement in production level since the Seventh Five-Year Plan, and one-third of its products has directly participated in market regulation. The company promptly changed the past pure planned management to production-operational management, and formulated the managerial principle, "seek advantage in greater varieties, good quality, and good faith in management." Regarding steel products marketed on its own, the principle used was fixing output according to marketing and demand, with flexibility in management based on market guidance.

First, a market survey was conducted to have a clear idea of quotations. Such measures for management and marketing as "great varieties, small batches and specifications, and sales promotion" were adopted to promote balance between production and marketing, based on the conditions of natural resources. The company has adhered to optimizing the product mix, with products in short supply accounting for 70 percent and up in four years running.

Second, principles for marketing were formulated: 1) Prices for steel products were set without attaching any other charges; 2) taking the risk for clients; if prices went up after a contract was signed, goods would be maintained at contract prices; if prices went down, clients' interests would be taken into consideration by allowing appropriate price readjustment; and 3) if orders were not fulfilled due to transportation problems after two months of the clients' payment, the company would pay bank interest for the postponement. These three principles have protected clients' interests and effectively promoted product marketing.

Third, doing a good job of post-sale service and insuring goods delivery according to schedule. Since 1988, Anyang Iron and Steel Company organized and established a motor transportation team with a 500-ton capacity to deliver goods to clients. To insure goods delivery according to schedule, the company would sacrifice its own interests should problems come up in railway transportation, and deliver goods by its own motor transportation team, while charging railway freight transport prices.

Because of the gradual strengthening of the market managerial-marketing mechanism, the company maintained a balance between output and marketing each year, with proceeds from sales increasing with each passing year; the proceeds were 1.65 billion yuan in 1991, up 35.61 percent from the previous year, and 7.8 times from 1979 prior to the implementation of the contracted responsibility system.

Reinvigorate the Most Active Factor

The change in the managerial mechanism has stimulated the enterprise's every cell. Through implementing the internal economic responsibility system, the company formulated a reasonable distribution system, protected the democratic rights of workers and staffers to participate in the deliberation and administration of state affairs, while combining responsibility, rights and interest to gradually found a stimulating mechanism full of vitality, working hard to make progress. To give play to the enthusiasm of workers and staffers, the most active key factor, the company completed and perfected its internal contracted economic responsibility system by linking to the ways of contracted responsibility in different phases, and implemented 10 ways of internal contracted responsibility with strict assessment. Contracted responsibility was conducted at every tier from executive down to teams and groups at workshops and individual workers on various posts, and the concept of collective management was augmented.

To invigorate internal distribution and rationally widen income gaps is an effective means to give play to the internal factor of enthusiasm. Since the Seventh Five-Year Plan period, the company has implemented a distribution system characterized by linking wages with economic returns. Wages related to economic returns, on post subsidies, bonuses, and the 3 percent in wage volume for floating wages for rewards and promotion accounted for 45 percent of wage income. Through distribution of floating wages, the income gap has widened. Regarding bonus distribution, the difference between the highest and the lowest could be three or four times in the company's 21 second-level units.

The change in the managerial mechanism has linked the enterprise's development goal to the personal interest of every worker and staffer, and promoted the democratization and order of decision-making of the company's management. In Anyang Iron and Steel Company, the

"workers' congress" is regarded as "a hall for deliberating policies," and all the enterprise's major decisions are submitted to extensive discussions of its workers and staffers, who share all the risks; thus, a centripetal force and cohesiveness inside the enterprise was strengthened.

Relying on the sense of responsibility and mission of the broad workers and staffers, the company was awarded the national "1 May" certificate of merit. In four years running, it has been assessed a fine national enterprise in ideological and political work. In 1991, the Henan provincial authorities conferred on it the honorary title of one of the 10 Red Banners of Henan's industrial front.

Commentary Urges Enterprise Independence

HK0605132192 Beijing RENMIN RIBAO in Chinese
22 Apr 92 p 1

[Commentator's Article: "Go Ahead Boldly With Independent Operation—On Enterprise Operation"]

[Text] In the 12 years since the Anyang Iron and Steel Company implemented contracted managerial responsibility, its vitality has been continuously augmented. Once again, this tells us that we should do a good job in large and medium enterprises and improve their economic returns; and it is imperative to deepen reform and work hard at converting, completing, and perfecting the operational mechanism.

What lies at the heart of converting the operational mechanism? It is precisely to uphold the unification of responsibility, power, and interest so that the enterprise will become an economic body operating on its own, assuming sole responsibility for profits or losses, and facing the market.

Reform is precisely to emancipate the productive forces. In the past, we implemented a unitary planned economy for a long time, and all enterprise behavior was inseparable from planning; even the enterprise itself was an appendix to a government department. Such a state of affairs has changed somewhat through reform over the past dozen years, but still lags behind the requirements in developing the socialist commodity economy. A conspicuous expression is, the enterprise lacks indispensable operational autonomy. We often say that it is necessary to guide enterprises towards the market. The market is likened to the deep blue sea, should a person be pushed into it with his hands and legs tied up, the consequence would be quite beyond our imagination.

"The Enterprise Law" explicitly points out that the aim for the enterprise to convert its operational mechanism lies in making the enterprise gradually become a producer and manager of the socialist economy characterized by operation on its own, assuming sole responsibility for profits or losses, self-development, and self-restraint. To achieve this aim, it is imperative to gradually relegate the power that originally belonged to

the enterprise and is indispensable in market competition to the enterprises. Only then will enterprises' survival and development be possible. Of course, decentralization does not mean to let things drift. Power is inseparable from responsibilities and obligations. Take for instance, when we talk about operating on one's own, we talk about assuming sole responsibility for profits or losses, too; likewise, when we talk about self-development, we talk about self-restraint.

A kind of anxiety is, when the properties of an enterprise owned by the whole people belong to the whole people, can enterprises really have operational autonomy? In fact, whether or not the ownership and the right to operate can be separated and how, is a theoretical issue, and even more, a practical issue. A large number of typical examples of advanced enterprises have surfaced in the tide of reform. They have succeeded in realizing the separation of ownership and operational rights through their own exploration, in different aspects, and to various degrees. Their successes in operation have not weakened the foundation of ownership by the whole people, but have consolidated and strengthened it. The contracted managerial responsibility system is precisely a great beginning. It is precisely through the contracted managerial responsibility that the Anyang Iron and Steel Company has become full of vitality and vigor from its stagnation, and expanded six times its original scale. We should encourage and actively support exploration in all reform attempts, including the contracted responsibility system, separation of taxes and profits, and the joint-stock system, because correct knowledge can only come from practice.

True, whether or not the enterprise will realize operational autonomy relies on its own efforts and exploration, but governmental support and coordination are indispensable. A change in the government function is the imperative condition for the enterprise to convert its operational mechanism. Dialectics teaches us that conditions play a decisive role in a specific environment. Regarding this, government departments must acquire a sober understanding, a sense of pressure, and take an active part in nurturing the market to build a mechanism of equal competition, while allowing the enterprise operational autonomy to create a sound atmosphere for the enterprise to exercise such autonomy and work hard together with enterprises to create a lively situation in which a thousand vessels in full sail compete with each other in the race.

Ma Hong Stresses Market Over Privatization

OW0605165092 Beijing XINHUA in English
1522 GMT 6 May 92

[Text] Beijing, May 6 (XINHUA)—The way to enhance the economic returns of China's state-run industrial enterprises lies not in privatization but in utilizing the market as well as planning levers to transform operating mechanisms, a leading scholar said here today.

Ma Hong, director of the State Council's Development and Research Center, made the remarks at an international seminar on ways to increase the economic returns of China's state-run industrial enterprises, which closed today.

The state-run enterprises constitute the groundwork of the country's economy, he said, adding that even in Western economies, state-owned businesses constitute a considerable proportion of the economy.

Joining Ma on the point, M.G. Fortier, president of Societe Generale de Financement du Quebec from Canada, said the conclusion simply can not be drawn that economic returns of private enterprises are sure to be higher than those of state-run enterprises. The deciding factor is competition, not ownership; market regulation is the final law.

Ma Hong said state-run industrial enterprises will still play the dominant economic role, but will be supplemented by collective enterprises, foreign-funded enterprises, and private enterprises.

The fundamental task of China's economic reform in 1990's is to establish the framework of a new socialist economic system characterized by the combination of planning and market regulation, said Ma, adding that the critical issue is to realize the transformation of operational mechanisms of the state enterprises and make enterprises be geared to the market so as to achieve high economic efficiency.

The Chinese and foreign experts observed that to attain the goal it is important to set these enterprises afloat in the market. Only in this way can they adapt and make swift and effective responses to market signal.

The experts also argued, however, that enterprise autonomy and a developed market are prerequisites needed before enterprises will generate higher economic returns.

Timothy P. Brennand, chairman and chief executive of Shell Companies in China & Hong Kong region, pointed out that the right of managers and directors to manage the enterprises can be assured by legislation. Western managerial mechanisms can be introduced into Chinese enterprises, as has been done in joint ventures. Meanwhile attention must be paid to technical renovation and ways be found to stimulate the enthusiasm of the workers.

Entrepreneurs present at the seminar noted that higher economic returns hinge largely on workers' morale, which in turn depends upon a rational incentive system.

Takeo Shiina, vice president of IBM pointed out that China should learn advanced managerial methods from foreign countries, and give their people more professional training.

Fernand Braun, special advisor to the president of European Communities, opened fire at the problem of

bureaucracy, which he called "the number one enemy of the management of any enterprise, whether private or state".

The three-day seminar has attracted more than 80 economists, entrepreneurs, and government officials from 12 countries and regions.

'Initial Success' of Securities Markets Viewed

HK0605121892 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0907 GMT 27 Apr 92

["Special feature" by Shi Qingxia (2514 7230 1669)]

[Text] Hong Kong, 27 Apr (ZHONGGUO TONGXUN SHE)—After the "whirlwind Deng" swept across Mainland China, more and more people believe that China's securities market, which is mainly represented by stock transactions, will undergo a grand development. Facts have shown that since their opening for business, both the Shanghai and Shenzhen securities markets have achieved initial success, attracting attention both at home and abroad even though they are still at an elementary stage.

Relevant statistics have shown that 16 stocks have been listed in Shenzhen alone. The city's total transaction volume reached 1.765 billion yuan (Renminbi) in 1990 and soared to 3.575 billion yuan in 1991, registering an increase of over 200 percent. In the first quarter of this year, Shanghai and Shenzhen securities exchanges listed B shares involving a total par value of 100 and 200 million yuan respectively. At present, foreign investors have gradually begun to buy B shares in a cautious manner and the transaction volume tends to be optimistic.

The legislation of China's securities market is being perfected. Following its "Interim Regulations on the Management of Shenzhen's Stock Issuance and Transactions," the Shenzhen Branch of the People's Bank of China promulgated Shenzhen's "Rules Guiding the Securities Exchange Business" and "Regulations of the Securities Exchange on the Transaction and Clearance of B Shares," with a view that people have rules and regulations to go by. Meanwhile, the stock market's operations have been gradually modernized. The nationwide Securities Transaction Automatic Quotation System (STAQ System), which has already been put into use, can link 13 cities, 40 member exchanges, and six financial securities markets, which can do transactions on this system's internal quotations, thus laying a foundation for the future integration of securities markets throughout the country.

The transaction methods are also very flexible. Starting early this year, Shanghai began to use the method of issuing warrants. On 18 February, Yanzhong Industrial Company and Feile Share freed their share prices and allowed competitive bidding, thus turning the stock market brisk again. Newly listed shares for individual subscription by five companies alone, including the

Shanghai Second Textile Machinery Company, totalled 69.2 million yuan. As a result, the stock market is growing steadily in scale.

Nevertheless, people in the business still consider that there are still flies in the ointment: 1) The stock market is plagued by unbalanced demand and supply, as well as by unduly big fluctuations in prices. For example, the listing price of Yanzhong shares was 98 yuan; yet the price soared to 308 yuan by 12 March, up nearly three times in the short space of only one month. Feile shares have become the world's most expensive shares, because its market profit rate has remained at a high level since last year, registering an increase of 528.7 times. All these were caused by the lack of necessary rules and regulations guiding the stock market's operation. 2) The lack of a unified national law on securities transactions has hindered the formation of a unified market. Besides, laws for readjusting the relations between shareholders and the stock market, such as those on encroachment on personal rights and on the liability of contracts breaches, also seem quite loose and thus unfavorable to the protection of shareholders' interests and rights. Besides, foreign investors still have doubts and misgivings on the debt-clearing capability of China's B shares.

In short, China's securities market is advancing in a correct direction. Yet to eventually become mature, China's securities market still needs to use for reference the experience of overseas securities exchanges and gradually perfect itself. Experts estimate that in addition to traditional treasury, financial, and construction bonds, a number of new varieties will be listed this year, including corporate and residential construction bonds, involving a face value of 83 billion yuan. With the addition of 50 newly listed shares in the Shanghai and Shenzhen markets, the total volume of market transactions is expected to top 100 billion yuan. However, we should impose stricter control over newly listed shares and prevent people from rushing headlong into mass action.

BOC Governor Answers Questions on Banking

*HK0605112192 Hong Kong WEN WEI PO in Chinese
6 May 92 p 6*

[Report: "Li Guixian, Governor of the People's Bank of China and State Councilor, Answers Hong Kong Reporters' Questions.]

[Text] Li Guixian: I met a lot of reporter friends following my arrival in Hong Kong who have asked me many questions. I have summed them up into the following fields and I would like to give brief answers to these questions.

Question: As a central bank, how does the People's Bank of China [BOC] perform its functions of regulation and control?

Answer: The BOC is the state's central bank which exercises leadership and management over the whole country's financial undertakings. The BOC performs its

regulation and control functions by studying and formulating currency and credit policies and applying economic, administrative, and lawful means.

More than eight years have elapsed since the BOC specially performed central bank functions in September 1983. While performing its macrocontrol and regulation functions in recent years, the central bank has increasingly applied the economic levers of interest rates, exchange rates, and savings reserve funds and has taken note of giving full play to the financial market's role. At the same time, the central bank has exercised management over banking according to law and by formulating and promulgating a series of laws and regulations. Practice has proven that the central bank's regulation and control have been effective and have played a positive role in checking inflation and promoting economic development.

Role Played by Financial Organizations

Question: What role do the financial organizations play in accelerating economic reform and opening up?

Answer: As China needs large amounts of capital for its economic construction, financial organizations have a very important role to play in mustering and using funds. In accelerating economic reform and opening up, the financial organizations should extensively pool funds, make rational use of capital, guide the flow of capital, speed up capital turnover, increase the use-efficiency of capital, and vigorously support the national economy's elevation every few years. In light of the varying circumstances of different localities, they should adopt relevant policies and measures. Meanwhile, financial organizations should avoid the loan risk, stress credit efficiency, maintain currency stability, and prevent serious inflation.

Since reform and opening up, the categories of domestic financial organizations have gradually increased. Under the central bank's leadership, we have established a financial system based on the special state banks in which various financial organizations coexist and share work in cooperation. This system is suited to the needs of economic development, reform, and opening up. Because of the financial organizations' varying natures and functions, they will play different roles in accelerating economic reform and opening up. Hence, financial organizations should give full play to their respective role in reform and opening up in light of their specific characteristics.

Question: What is the focus of China's financial reform this year? Are there any tentative plans for other reforms?

Answer: Financial reform constitutes an important component of economic structural reform. For this reason, it is necessary to emancipate the mind and to increase the scope and accelerate the reform pace. It is necessary to vigorously open up and develop a financial market, end the state of funds accommodated through a single

channel, and guide the savings deposits flow. We should help enterprises transform their mechanism, introduce them to the market, make use of the financial market, and offer guidance to individual investment. It is necessary to improve the stock markets in Shanghai and Shenzhen, gradually allow the joint-stock enterprises of some localities to list their stocks in the two stock markets, and increase the amount and variety of treasury bonds. To meet the financial market's developing needs, we should also establish qualified special organizations engaged in assessment, financial auditing, and bonds operation. We should vigorously develop a short-term capital lending market and promote the flow and accommodation of capital transcending regions and banks. At the same time, it is necessary to vigorously support housing system reform and develop the insurance undertaking.

Question: Regarding capital accommodation functions, how will the banks support the reform of large and medium state enterprises? How will they support foreign trade and exports? How will they back the three kinds of foreign-funded enterprises?

Answer: In supporting reform of the large and medium state enterprises, the banks will create a fine financial environment for large and medium enterprises by applying credit policies and levers so that they will transform and improve their operation mechanism and increase economic efficiency. First, the working capital and loans required by the large and medium state enterprises for production and operation should be dealt with in different ways, namely, giving priority to the good enterprises and imposing restrictions on the poor ones. The banks should grant loans to enterprises which conform to the state's industrial policies and which can attain better economic results. Conversely, loans to poorly managed enterprises should be restricted. Second, we should vigorously support enterprises in their scientific and technological development and technological progress, and particularly help large and medium enterprises cut energy consumption, develop new marketable products, improve product quality and grades, and increase the amount of Renminbi and foreign exchange required for exports and technological transformation. Third, it is necessary to vigorously create conditions, open up various channels for capital accommodation, gradually introduce enterprises to the financial market, and offer guidance and convenience to enterprises to directly accommodate capital in the market.

Regarding the support for foreign trade and exports, this has always been the focus of bank credit. We will continue to support reform of foreign trade enterprises and grant credit to the production and purchase of quality export goods which can meet the international market's needs. At the same time, we will urge foreign trade enterprises to improve their export commodities' quality and to strengthen their sales and service work. It is also necessary to support in a step by step and planned manner the border regions in opening up wider to the outside world and developing border trade.

Regarding the support for the three kinds of foreign-funded enterprises, the government has formulated a series of preferential policies. In financial policies, we should continue to encourage development of the three kinds of foreign-funded enterprises. In the granting of loans, the foreign-funded and domestic enterprises will be treated equally. Credit will be focused on competitive projects whose goods sell well in the international market.

Create Conditions To Embark in the International Market

Question: Will China's financial organizations take the internationalization road?

Answer: China's financial organizations should vigorously create conditions to go into the international market and draw on the experiences of international operations to carry out credit operation and management. For example, it is necessary to observe the Basel Agreement and gradually exercise capital risk management; internationalize the standards of the banks' business means in light of the needs of international financial transactions; transform the domestic banks' accounting system; improve the financial statistics and index systems; and apply modern means to establish a clearing network and a quick, convenient, and extensive modernized payment system within the domestic banks. Naturally, we need some time to draw on the means of international operation and progress may vary from place to place.

Question: How will China steadily handle the peak debt repayment? Will the 10 major "windows" for pooling funds increase?

Answer: The balance of China's foreign debt is regularly announced to the international community. The present remaining amount of China's foreign debts is over \$60 billion, of which over 80 percent are long and medium-term loans. The peak time to service the debt is 1992-95. During this period, China's annual service of long and medium-term foreign debts is from \$7-8 billion. The debt service ratio is 8 percent and the debt ratio is 85 percent, both lower than the internationally accepted level. Most of the enterprises in China that have used foreign capital are economically efficient. So, there is no problem in servicing this amount of foreign debt. In addition, China has established a foreign debt guarantee system and a debt service fund.

We have not given any consideration to the question of increasing the windows for mustering funds abroad. Operation of the current 10 windows is normal and the funds mustered are sufficient to meet our needs.

Question: Could you explain China's policies for currency, exchange rates, and interest rates? Will the Renminbi exchange rate be readjusted in the near future? In what direction will the interest rate proceed?

Answer: In accordance with the needs of national economic development, reform, and opening up, we have allowed the Renminbi exchange rate to float under management commencing April 1991. This mechanism has proved to be effective and we will continue it.

Interest rate, which constitutes one of the important means for regulating the economy, should be determined in light of economic development, market prices, currency, and credit.

Question: Will the existing open zones allow more foreign banks to set up branches there?

Answer: We do not have any restrictions on the number of branches set up by foreign banks in China. So far, foreign banks have set up more than 40 branches in the special economic zones [SEZs] and Shanghai. With the economy's development in the years ahead, we will duly allow foreign banks to increase the number of their branches in the SEZs and Shanghai.

Question: Do Tianjin, Dalian, and Guangzhou constitute another group of cities which will allow foreign banks to set up branches?

Answer: Yes. We plan to do so. Once the preparatory work is complete, they will be allowed to set up branches there upon examination and approval.

Question: Will foreign banks be allowed to expand the scope of their businesses, which include transactions in Renminbi?

Answer: We have taken note of the foreign banks' intention to do transactions in Renminbi and we are studying the matter.

More New Financial Organizations To Be Set Up

Question: Will other cities be allowed to set up stock exchanges this year? Do Shanghai and Shenzhen now have the decision-making powers to examine and approve listed companies? Will listing in other cities be allowed? Is the experiment of the issue of B stocks successful? Will the issue of B stocks increase?

Answer: To vigorously and steadily carry out the stock market experiment, we should focus attention on the experiment conducted in the Shanghai and Shenzhen stock markets. Before we gain successful experience, it is unlikely that there will be a new stock market set up elsewhere.

When the Shanghai and Shenzhen stock markets have gradually embarked on the track of steady development and when the management regulations and measures for stock markets are further improved, Shanghai and Shenzhen will be allowed to choose, examine, and approve the companies for listing. To strengthen comprehensive management over the stock market, the scope of the Shanghai and Shenzhen stock markets and scheme of

listed companies should be submitted to the BOC for examination and approval. We are now studying the matter and exploring the establishment of a unified and scientific nationwide examination system for stock listing.

To solve the problem with the issuing and listing of stocks in places other than Shanghai and Shenzhen, it is necessary to establish centralized stock exchanges and allow the stocks issued by other provinces and cities to be listed in the Shanghai and Shenzhen stock exchanges. At the moment, the BOC is drawing up regulations for the listing of transregional stocks. Probably a small number of publicly issued company stocks will be permitted to enter the Shanghai and Shenzhen stock exchanges this year.

As to the experiments on the issuing of B shares, in 1991, 11 joint-stock companies in Shanghai and Shenzhen planned to issue 385 million yuan worth of B shares. As far as the actual issuing is concerned, overseas investors were active buyers. Many foreign underwriters and accounting firms showed interest and expressed their wish to underwrite China's B shares. So far, the Swiss Bank, Sun Hung Kai, and Solomon Company have underwritten Shanghai Vacuum Electronic Device Stock Company's B shares worth 100 million yuan (1 million shares). Some companies in Shenzhen, including Nanbo, Wuye, Zhonghua, and Kangjia, have separately signed agreements on underwriting B shares with overseas underwriters, including (Hao Wei) [3185 1218], French Lyon, and Sun Hung Kai, involving 81 million shares, raising about 400 million Hong Kong dollars. The remaining companies have also signed letters of intent with overseas underwriters. Because B shares are all issued at a premium, we estimate that these 11 companies can raise about \$260 million worth of foreign exchange funds. Generally speaking, experiments in the issuing of B shares is positive, as it not only helps us utilize foreign capital, but also creates conditions for overseas investors to enter China's market. It is also helpful to us in understanding the specific demands on, and practices in, the issuing of shares in other countries and standardizing the experimental stock markets in China. In the future, it is necessary to appropriately expand the scope of B share issuance in Shanghai and Shenzhen to raise foreign funds for the further development of Pudong and Shenzhen SEZ. Also, it is necessary to select some more enterprises which are equipped with adequate conditions and have them issue B shares. In the meantime, in view of the existing problems in the issuing and circulation of B shares, it is also necessary to gradually improve the management of B shares so that it is in line with international practice and we can speed up the internationalization of China's securities market in a positive, stable, and step-by-step manner.

Question: Apart from specialized banks, will there be more banks of other types, such as local banks, in the future? When will Everbright [guang da 0342 1129] Bank be founded?

Answer: With the economic development and the deepening of the reform, we will appropriately set up more monetary institutions.

Everbright Bank is a state monetary enterprise fully affiliated to Everbright Enterprise Group and is not a local bank. In 1991, the BOC approved the plan for setting it up. Most of the preparations have been completed and it is expected to go into formal operation before long.

Question: After the Hongkong and Shanghai Banking Corporation Holdings PLC purchases the share ownership of Britain's Midland Bank, is it appropriate for it to continue its role as a central bank in Hong Kong? Should Hongkong Bank continue to be Hong Kong's settlement management bank and issuing bank? Will the BOC Group issue banknotes? Will the BOC set up branches in Hong Kong and issue special administrative region [SAR] banknotes or fractional currency after 1997?

Answer: We noticed the decision on, and developments of, the merger of Hongkong and Shanghai Banking Corporation Holdings PLC and Midland Bank. We also noticed the reaction to this issue from various circles in Hong Kong.

For a long time in the past, Hongkong Bank played a special role in Hong Kong and contributed to Hong Kong's stability and development. We hope that whenever Hongkong Bank adopts a new measure in the future, it will fully consider its impact on Hong Kong, because Hong Kong's stability and development is not only the common aspiration of all circles in Hong Kong but also in the interest of Hongkong Bank itself.

Today, the world's economic and financial patterns are going through major changes. Hong Kong, as an extremely open international financial center, is inevitably affected by the rest of the world. Therefore, how to maintain Hong Kong's stability and development under the new circumstances is the common concern of various circles in Hong Kong, the British Hong Kong Government, and us. We hope, and believe, that the British Hong Kong Government will be able to readjust and improve Hong Kong's monetary system and make positive and proper arrangements for the stability and development of Hong Kong's monetary sector, out of consideration for Hong Kong's overall prosperity and stability.

Many personalities in Hong Kong express their wish that the BOC (Hong Kong) would participate in issuing banknotes. This shows their trust in BOC (Hong Kong).

Whether or not BOC (Hong Kong) will participate in issuing banknotes will be decided by the British Hong Kong Government before 1997 and by the Hong Kong SAR Government after 1997. If the various circles in Hong Kong and the British Hong Kong Government want BOC (Hong Kong) to participate in issuing banknotes before 1997, consultations should be carried out between the British Hong Kong Government and

BOC (Hong Kong) and arrangements be made in accordance with relevant legal procedures.

In recent years, BOC Group (Hong Kong) has been developing rapidly and becoming more influential in financial circles. It is our hope that the BOC Group can make due contributions to safeguarding Hong Kong's position as an international financial center and its economic prosperity and social stability. But this does not mean that it will replace Hongkong Bank's position.

According to the "Sino-British Joint Declaration on the Question of Hong Kong" and the "Basic Law," the future Hong Kong SAR government may formulate its own monetary and financial policies and the authority to issue Hong Kong dollars goes to the Hong Kong SAR government. The Hong Kong dollar will, as local legal tender, continue to circulate and be freely convertible.

The BOC will scrupulously abide by the "Sino-British Joint Declaration" stipulations and will not issue SAR banknotes or fractional currency in Hong Kong. But in considering the PRC as a whole, we shall pay close attention to Hong Kong's economic and financial development. New Airport Project Involves Huge Funds, Should Be Handled With Caution [subhead]

Question: The Exchange Fund Administration [EFA] newly set up by the Hong Kong Government is, in terms of its powers and functions, gradually tending toward the role of central bank. Is the BOC against the British Hong Kong authorities setting up a monetary management organization equivalent to a central bank before 1997?

Answer: Under Hong Kong's system of pegged exchange rate, exchange fund is the basis for the Hong Kong dollar's stability. Since it was founded, the EFA has been playing its role in maintaining the pegged exchange rate system and stabilizing the Hong Kong dollar through its routine operation.

We believe that a well-developed monetary management system and monetary operating mechanism are the precondition and important basis for Hong Kong's prosperity and stability. Therefore, we welcome and support the British Hong Kong Government in readjusting the EFA's functions provided that such a readjustment is conducive to Hong Kong's prosperity and stability and the smooth transfer of power without affecting Hong Kong's position as an international financial center.

Question: The existing pegged exchange rate system installed by the Hong Kong Government, whereby the Hong Kong dollar is pegged to the U.S. dollar at a rate of 7.8:1, has been in effect for nearly nine years and the government emphasizes that it will retain this system. Will this pegged exchange rate system extend beyond 1997? And what posture does the BOC hold on Hong Kong's pegged exchange rate system?

Answer: In the past nine years, under the special monetary context of Hong Kong, the pegged exchange rate

system has contributed to the Hong Kong dollar's stability and Hong Kong's prosperity, enabling Hong Kong's economy and monetary operation to stabilize and develop in comparison with the rest of the world. This is what we and all circles in Hong Kong hope for. Naturally, however, any financial management system is a product of a given environment and cannot possibly be flawless. We have noticed that the British Hong Kong Government has time and again emphasized that it will maintain the pegged exchange rate system and continue its efforts to perfect Hong Kong's financial system. We believe that the future Hong Kong SAR government will not rashly change a financial system that can guarantee Hong Kong's prosperity and stability.

Question: Some massive capital construction projects are under way now in Hong Kong. Some projects and financing processes will extend beyond 1997. Since China and Britain signed the Memorandum of Understanding [MOU] on the new Hong Kong airport, the concrete expenditure plans and contracted projects that the Hong Kong Government has published have caused much controversy. What is the Chinese monetary authorities' opinion on this, please?

Answer: The scope of capital construction for Hong Kong's new airport is very big, involving huge amounts of financing, which calls for cautious handling. The people in Hong Kong have expressed their views and misgivings about the contracts and expenditure plans concerning the new airport project. We are equally concerned. We hope that the new airport's construction will conform to the principle of low cost and high efficiency without increasing the burden on Hong Kong citizens and the future SAR government. All should be done according to the MOU stipulations. This is the supportive stance that the Chinese Government has consistently held on Hong Kong's new airport project and should also be the common understanding between China and Britain.

Question: Everybody knows that the relevant financing process depends on clear support from the Chinese side. May I ask whether or not the Chinese monetary authorities support the financing for Hong Kong's capital construction, or what kind of support it is? Will the relevant banks actively participate?

Answer: We have always been positive about Hong Kong's plan to build a new airport and will give due support. Of course in the same time, we take a responsible attitude. As to the financing for Hong Kong's capital construction, it is necessary to first find out whether the relevant project is in line with cost effectiveness. This is not only clearly laid down in the MOU but also something that each bank must consider in its operation.

Question: Since capital construction may fuel Hong Kong's inflation, affect the people's livelihood, and create a certain burden on the economy after 1997, what is your opinion on this?

Answer: It is true that a massive capital construction project that is not well conducted will fuel inflation, affect the people's livelihood, and cause a burden on long-term development. Therefore, acting with caution is imperative. One of the MOU articles on the issue of Hong Kong's new airport between China and Britain indicates that the airport project should conform to cost effectiveness. If this stipulation is rigorously observed, I think the negative effect can be maximally avoided or reduced.

Expanded Foreign Bank Activities Viewed

OW0605121192 Beijing XINHUA in English
1119 GMT 6 May 92

[Text] Beijing, May 6 (XINHUA)—An official from the People's Bank of China said recently that more foreign banks will be allowed to open branches and expand their business scope in China.

The bank official in charge of the management of overseas financial institutions, said that China will allow foreign banks to open the first ever branch banks in Guangzhou, Dalian and Tianjin. He added that foreign banks will also be allowed to increase the number of branch banks in special economic zones in line with the progress and economic expansion of the zones.

To date, some 30 foreign banks have applied to open branch banks in China. The banks are headquartered mainly in Europe, the United States, Canada, Japan, Southeast Asia, and the Hong Kong-Macao region.

At present, 47 foreign financial institutions have opened branches in China, including Citibank, Bank of America, Credit Lyonnais, Banque Indosuez and Sanwabank. The previously opened branches are allowed to operate mainly in special economic zones and in Shanghai.

Although declining to elaborate, the official did said the Chinese Government is considering a proposal to allow the banks to engage in limited renminbi transactions.

According to current regulations, foreign banks are allowed to deal only in foreign currency transactions such as international settlements and hard currency loans. In addition, they can only accept deposits from foreign-funded enterprises and foreigners living in China.

The central government has reacted positively to proposals to allow foreign banks to become more involved in the Chinese economy. The government feels that foreign banks can to some extent help ease funds shortages which restrain the country's dynamic economic expansion, and recent statistics show that these banks held outstanding loans of over 2.2 billion U.S. dollars at the end of 1991.

In the past, influential foreign banks have acted as go-betweens by introducing foreign clients to investment opportunities in China. The direct result being that

investors bring new technology and build advanced facilities which are much needed items in China's modernization drive.

The chance to learn advanced and effective banking management methods from foreign bankers also contributes to China's eagerness to allow an influx of foreign banks.

Since most Chinese banks face a difficult task in promoting the country's fledgling securities markets and real estate industry, foreign bankers are expected to play a vital supplementary and exemplary role in further development.

Nonetheless, an impending influx of foreign banks presents a major challenge to Chinese banks since a new level of competition is bound to occur.

According to an official from the Bank of China, foreign branch banks have already service "a considerable portion" of the international settlements in special economic zones.

For example, in 1991, foreign banks in Shenzhen attracted deposits of over 1.4 billion U.S. dollars, while Chinese banks recorded deposits of some 2.6 billion U.S. dollars during the same period. [sentence as received]

The official said that the potential threat facing Chinese banks, once foreign banks are allowed to handle renminbi transactions, should not be underestimated.

He said that Chinese banks lose their edge over foreign banks because of relatively backward technology and communications facilities.

Technology Supervision Official on Raising Quality

HK0705050592 Beijing ZHONGGUO XINWEN SHE
in Chinese 1156 GMT 27 Apr 92

[Report by Tian Huiming (3944 1920 2494): "China to Take Five Steps to Boost Product Quality"]

[Text] Beijing, 27 Apr (ZHONGGUO XINWEN SHE)—Zhu Yuli [2612 5148 3810], director of the State Technology Supervision Administration, said today: China's products are of poor quality, low standards, and narrow range, and have a wide gap to overcome when compared with international standards. To reverse this situation, the State Council has promulgated the "decision on further bolstering work on quality control," designed to raise the quality of products.

Zhu Yuli said: The passing mark in the random inspection of product quality in China has always lingered around 75 percent in the last seven years; the passing rate in the random inspection of market commodities has always ranged from 55 percent to 60 percent. According to estimates by experts, the actual standard of China's product quality is some 10 to 20 years behind that of

developed countries and is less than 10 percent of the international standards of the late 1980s and early 1990s.

Zhu Yuli said: The state will take the following five measures to raise product quality:

- A notice of criticism will be circulated regarding products assessed to be substandard by a state-supervised random inspection; those with serious problems will be given a "yellow card" warning;
- Enterprises judged to be substandard in a random inspection will have to undergo reorganization, including limited production and suspension of production within a given deadline based on the seriousness of the product quality problem.
- In case the products of enterprises which have been reorganized are still assessed to be substandard, if they concern state-run enterprises, the factory manager will have to be removed and prohibited from taking up another post elsewhere; if they concern township and town enterprises and individual enterprises, then their business licences may be suspended or cancelled by the industrial-commercial departments.
- Products with serious quality problems which cover a broad range and are linked to people's health and safety should be exposed publicly.
- Heavy losses caused by product quality problems and leading to criminal offenses should be made liable to the law.

Zhu Yuli said: The state will first focus on the quality of four categories of major products within a given period of time at the moment:

- One. Products which affect people's health and safety, including foodstuffs, medicine, medical equipment, heating devices, and elevators.
- Two. Home appliances and durable consumer goods, primarily including televisions, refrigerators, washing machines, and motorcycles. The "guarantees on repair, exchange, and return" covering durable consumer goods should be broadened.
- Three. "Two blacks and one white" products, that is, steel, coal, and cotton. At present, only 1.03 million metric tons of 50 types of steel products enjoy the same standards as similar products overseas. Poor quality, low heating effect, and excessive mixture are perennial complaints of consumers about coal. Meanwhile, inferior quality cotton constitutes a prominent problem which affects the quality of textile products as well as economic performance.
- Four. Large-scale items like complete power station equipment. At present, these projects present many problems of quality, including the unstable quality, low reliability, and short lifespan of crucial spare parts and prime components.

Zhu Yuli maintained that as long as efforts are made to seize product quality relentlessly, the quality, variety and service quality of China's major industrial products will be improved visibly in three to five years' time.

Bao Xin Letter Sees 'New Heights' for SEZs

HK0705060592 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 18, 4 May 92 p 2

["Letter from Beijing" by Bao Xin (7637 0207): "Development of Special Zones Scales New Heights"]

[Text] My dear brother:

In the last letter, I generally described the overall pattern of China's open-door policy, that is, the overall pattern of comprehensive opening up along the coasts, borders, and rivers. This time, I want to tell you something about the Special Economic Zones [SEZs] and economic and technological development zones in China's open coastal areas.

I have acquired from the relevant quarter some statistics for the SEZs and development zones in China for the summer of 1991, and have arrived at the view that the SEZs and development zones are leaping to new heights.

In 1991, the five SEZs of Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan, and the 14 development zones including Dalian, Tianjin, Yantai, Qingdao, Shanghai, Ningbo, Fuzhou, Guangzhou, Zhangjiang, and Beihai all scaled new heights in economic development. This is mainly embodied by the following:

—A good trend in utilization of foreign funds. In 1991, the five SEZs signed new contracts on foreign investment in 2,431 projects, involving \$2.75 billion, and actually utilized \$1.11 billion, a 36 percent increase, 60 percent increase, and 44 percent increase, respectively, over the previous year. The 14 development zones approved a total of 414 projects for foreign investment, which amounted to a total of \$1.17 billion, and actually utilized \$780 million, increases of 35.7 percent, 13.3 percent, and 17 percent, respectively, over the previous year. The progress in absorbing foreign funds in development zones such as Dalian, Tianjin, Guangzhou, and Shanghai's Minhang was even more spectacular; for example, Dalian approved 87 new enterprises for establishment, and contracts involved a total investment of \$297 million, of which foreign funds amounted to \$249 million.

The structure of foreign capital and the level of projects have been greatly improved. In the 14 development zones, there are 112 projects each with an investment of more than \$10 million; for example, the polyester project in Guangzhou development zone has a total investment of \$60 million.

According to statistics, in all the SEZs but Hainan, the output value of foreign-invested enterprises has come close to or surpassed 50 percent of the output value in the SEZs. Foreign-invested enterprises have already become the mainstay of industrial enterprises in the development zones; for example, in Dalian, the output value of foreign-invested enterprises accounts for 81.3 percent of the industrial output value in the development zone.

—The social productive forces with industry as the mainstay have further developed, and economic strength has markedly increased. In 1991, the 14 development zones attained a total industrial output value of 14.83 billion yuan, a 79.8 percent increase over the previous year; and a revenue of some 750 million yuan, a 46.8 percent increase over the previous year. The total industrial output value in the five SEZs was over 50 billion yuan, an increase of 60-70 percent over the previous year; and their budgetary revenue reached 5 billion yuan, an increase of 30-40 percent over the previous year.

—The SEZs and development zones have become China's bases for conducting foreign economic relations and trade. In 1991, the five SEZs exported goods amounting to \$6 billion, which was one-tenth of the country's export volume; the 14 development zones exported goods amounting to \$1.2 billion, occupying a considerable proportion of foreign trade in the country. The structure of exports in the SEZs and development zones has improved markedly, as indicated by a growing proportion of finished industrial products and machinery and electrical appliances which have high additional value.

—The SEZs and development zones have fostered closer economic ties with the interior and places outside the zones. There are 5,000 enterprises from all over the country coming to the SEZs to establish branches with the purpose of absorbing advanced techniques and funds. The transfer of essential economic factors such as information, capital, and technology has stimulated development in the interior. At the same time, some enterprises from the SEZs have also gone to the interior to set up factories, help the interior to develop export bases, transform interior enterprises, and hire interior enterprises for operation. The role of the SEZs in stimulating development in the interior is becoming bigger. The economic and technological links between the development zones and the cities where they are located and other cities across the country have also increased markedly. It is no longer a unilateral demand in the development zones to absorb techniques and funds from outside the zones for expediting development of the zones. For example, Tianjin development zone has signed contracts with the city's industrial departments on cooperation in building the development zone, and has scored good results.

—The SEZs and development zones have deepened reform, strengthened management, and scored marked results. The SEZs have further deepened and perfected commercialized housing reform; centrally planned social insurance reform; and reform of the personnel, labor, and wage systems. In Shenzhen, the experimental stock market, bonded means of production market, and bonded zone have all been unrolled enthusiastically and steadily. The 14 development zones have also adopted many measures to improve the situation of overlapping management organs, overlapping functions and duties, low efficiency, poor enterprise management, and unsatisfactory economic returns. For example, Qingdao development zone

merged the original 15 bureaus and offices under the management committee into 10, practiced an appointment system, simplified lateral coordination and the procedure for examining and approving projects, and upgraded work efficiency and decisionmaking standards; Yantai development zone practiced comprehensive quantified management, carried out a quantitative analysis of work, paid attention to personnel, improved efficiency, and so on.

Recently, encouraged by Deng Xiaoping's southern tour speeches and the spirit of the decision by the recent Political Bureau meeting on expediting reform and development, the SEZs and development zones felt freer in reform and development. We may predict that their exemplary role will have a more prominent impact on the whole country.

Bao Xin [signed]
26 April 1992 [dated]

Chen Yuan Says Renminbi To Be Convertible

HK0705090692 Hong Kong AFP in English 0832 GMT
7 May 92

[Text] Hong Kong, May 7 (AFP)—China will soon make its currency the renminbi convertible, the deputy governor of the People's Bank of China, Chen Yuan said here Thursday.

"It is not far from now that we will make our currency convertible," said Chen, son of senior Chinese leader Chen Yun, a hardliner, at a luncheon held by the American Chamber of Commerce.

The elder Chen, known for firmly supporting a planned economy, only recently gave his backing to senior leader Deng Xiaoping's call for bolder economic reforms mixing elements of capitalism. The two elder statesmen are rivals.

Chen, who attended the annual meeting of the Asian Development Bank which ended on Wednesday, said China was trying to eliminate its system of having a double currency, one convertible and for foreigners and the other one, the renminbi, non-convertible and for its nationals.

Chen said this would be eliminated as soon as the gap between the official and blackmarket foreign exchange rates was narrowed.

"We will then gradually phase out" the Foreign Exchange Certificate, the currency used by foreigners in China, he said.

Chen denied the Chinese central bank was restricting the opening of a new security market in China after the official opening of the fledgling stock markets of Shenzhen and Shanghai.

"It is the People's Bank of China's stance to develop a security market," "but first, we have to introduce an international standard."

This would include having outside accountant firms set up offices in China "to share their experiences," he said.

Chen called for forming a "unified market," with the Shenzhen and Shanghai markets being linked by a "nationwide network."

But Chinese Vice Premier Zhu Rongji was quoted by the semi-official Hong Kong China News Service as saying that it was "too early yet" to allow stock markets to be set up nationwide, adding that China had only little experience.

Several Chinese cities have applied to the central government to set up their own stock markets following Deng's renewed call for economic reforms.

No official approval has been given, but unofficial stock trading counters have developed in cities such as Xiamen, Haikou, and Guangzhou.

Foreign-Funded Firms Up 114 Percent Over 1991

OW0705075192 Beijing XINHUA in English
0728 GMT 7 May 92

[Text] Beijing, May 7 (XINHUA)—Statistics from the State Administration for Industry and Commerce show that in the first quarter of this year, there were 3,837 newly approved foreign-funded enterprises registered with local industrial and commercial departments throughout China.

According to the administration, 61.9 percent of the newly registered foreign-funded enterprises are Sino-foreign joint ventures, 16.8 percent of the total are Sino-foreign cooperative enterprises, with solely foreign-funded enterprises accounting for 21.3 percent of the total.

Compared with the same period of 1991, investment of foreign-funded enterprises increased by 114 percent, and their registered capital increased by 107 percent.

Commentary Views 'Investment Rush', Effect on HK

HK0705050392 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0907 GMT 27 Apr 92

["Commentary" by Yu Cheng (6735 2052): "Foreign Investment in Chinese Mainland Grows"]

[Text] Hong Kong, 27 April (ZHONGGUO TONGXUN SHE)—Recently overseas funds have noticeably kept pouring into Mainland China for investment in the manufacturing industry. Hong Kong, whose entrepot business and service trade have benefited from the investment rush, will remain an important bridgehead for foreign investors developing China's markets in the future.

In fact foreign investors began to intensify their investments on Mainland China last year in a bid to occupy a favorable position in China's market in the initial stage of China's economic recovery. According to statistics, the amount involved in agreements on using foreign funds signed by China last year hit \$17.8 billion, up 47.6 percent over the previous year; while the amount of foreign funds actually used by China was \$11.3 billion, the annual growth rate being about 9.6 percent. This shows foreign investors are once again paying great attention to China's market potential. China will make greater efforts this year to absorb more foreign funds.

As a result of China's persistence in carrying out the open economic policy, which has been put into effect for many years, and its efforts to speedily improve trade regulations and cut import tariffs as well as improve its trade relations with foreign countries, including the United States, quite a lot of foreign businessmen have made various investments on the mainland. In the first quarter this year, China approved 4,185 foreign-funded projects, up 86.3 percent over the corresponding period last year. The accumulated funds involved in these projects totaled \$6.54 billion, registering a sharp 142 percent increase. This fully shows strong foreign investor confidence in China's industrial and commercial development.

For its part, China has been able to dispose of foreign funds at a greater pace. This is mainly because China has attached considerable importance to infrastructures, such as highways, railways, wharfs, transportation facilities, and power stations. In the first quarter this year China actually put to use \$2.53 billion in foreign funds, up 40.7 percent over the same period last year, which resulted in a much greater development scale than last year. The reasons for foreign businessmen speeding up their investments in China lie in China's persistence in its open economic policy and their great interest in Chinese consumers' increasing purchasing power. China's annual growth rate of total volume of retail sales for the first quarter this year was 16 percent, which should be considered a high growth rate.

The rapid growth in China's economy and investments was enormously beneficial to Hong Kong's foreign and service trade. The latest statistics compiled by the Hong Kong government statistical bureau show that the accumulated volume of entrepot trade between the mainland and China for the first two months of this year totalled HK\$25.96 billion, up 36 percent over the same period last year, while February's growth was 94 percent. This also shows the close economic and trade relations between the mainland and Hong Kong.

Hong Kong will continue to benefit considerably from China's growing economy. Over the last decade and more, Hong Kong businessmen have invested heavily in the industry in south China and built this area into a important industrial base, which, in turn, has absorbed investment from other areas in Asia and even from Europe and America. It is estimated that Hong Kong

businessmen's industrial investments in south China will gradually reach a saturation point resulting in a slow growth rate. However, service trade will step into the shoes of industrial development and distinguish itself in the massive market in south China.

In reality, the rapidly expanding trade and economy in south China calls for increasing services, but the mainland's service trade has failed to develop simultaneously. This offers a golden opportunity to Hong Kong's service trade, whose services measure up to international standards.

Achievements of Council for Trade Promotion Viewed

*HK0605144692 Beijing RENMIN RIBAO in Chinese
24 Apr 92 p 2*

[Article by Zheng Hongye (6774 7703 2814), chairman of the China Council for the Promotion of International Trade (China Chamber of International Commerce): "Trade Promotion Undertakings are on the Ascendant"]

[Text] The work of trade promotion is an integral part of a country's foreign economic relations and trade. In general, trade promotion refers to providing various services for domestic and foreign industrial and commercial enterprises in order to promote the development of the country's export-oriented economy, and such services include information, consultation services, legal, liaison, personnel-training services, and the organization of exhibitions and fairs for the promotion of trade and technological exchanges. The more developed a country's commodity economy is, the more dynamic its trade promotion will be. The China Council for the Promotion of International Trade [CCPIT] was founded on 4 May 1952. Over the past 40 years, with the support of the government and all parties concerned, it has continuously increased and expanded foreign exchanges and the scope of its functions. A nationwide trade promotion network has gradually taken shape.

The Work of Trade Promotion Is Being Carried Further

In the 1950s and 1960s, through arranging the exchange of personnel visits, signing nongovernmental trade agreements, holding exhibitions, attending relevant international conferences, and setting up nongovernmental trade representative offices, CCPIT broke through the blockade and embargo imposed by the Western countries against China and promoted the development of China's trade with the outside world, especially with some Western countries, on a people-to-people basis. Such "unofficial" trade also played a role in promoting "official" trade.

After China adopted the reform and opening policy in 1979, CCPIT adopted a new work guideline according to the special characteristics of its work: While promoting foreign trade, it would also actively promote the introduction of foreign capital and advanced foreign technology and promote various forms of Sino-foreign economic and technical cooperation. Thus, CCPIT

expanded the scope of its functions from trade to industry, technology, banking, intellectual property rights, information and consulting services, and participation in a large number of international organizations.

In May 1986, CCPIT adopted the membership system; in June 1988, it additionally named itself the "China Chamber of International Commerce." This represented a major change in the organizational structure of trade promotion. CCPIT was then more distinctly oriented in its work to domestic and foreign economic entities, and its services were further improved. It provided good-quality and highly efficient services for its membership of outwardly oriented enterprises.

So far, CCPIT has established extensive relations with more than 350 chambers of commerce, industrial and commercial federations, foreign trade associations, and other trade promotion organizations in more than 160 countries and regions, has signed cooperation accords with counterpart organizations in more than 40 countries, and has also established joint institutions with some countries' chambers of commerce. CCPIT and its affiliated institutions have joined such international organizations as the Union of International Fairs, the International Licensing Merchandisers' Association, the International Association for the Protection of Industrial Property, the International Maritime Committee, the International Arbitration Association, and the World Association of Small and Medium-Sized Enterprises.

Increasing Diversification of the Means of Trade Promotion

CCPIT frequently receives visitors, organizes inspection trips abroad, carries out business cooperation with counterpart organizations in foreign countries and with the international organizations concerned, and organizes and participates in international conferences and multi-lateral activities. Since the beginning of reform and opening, we have continued to promote trade activities through unofficial channels with countries with which we do not have diplomatic relations. For example, in July 1985, CCPIT signed with the Industrial and Commercial Federation of Indonesia the "Memorandum of Understanding on Restoring Direct Trade Relations," and this led to the restoration of direct trade relations between the two countries, which had been severed since 1967; in 1987, CCPIT sent an entrepreneur delegation to visit Saudi Arabia, and in 1989 held China's first export commodities exhibition in Riyadh; in October 1990, CCPIT concluded an agreement with the Trade Promotion Council of South Korea on setting up representative offices in each other's countries, and in 1991 the two sides further signed the "Trade Agreement Between the China Chamber of International Commerce and the Trade Promotion Council of South Korea," thus promoting the development of people-to-people economic and trade relations between the two sides. In addition, CCPIT has also had contacts with nongovernmental institutions in some countries without diplomatic relations with our country.

In recent years, CCPIT has also actively promoted relations and cooperation with industrial and business circles in Taiwan. In December 1989, the CCPIT-led "Cross-Strait Economic and Trade Coordination Council" and the "Cross-Strait Business Coordination Council," organized by Taiwan industrialists and businessmen, were set up at the same time in Hong Kong and signed a cooperation accord, thus contributing to the promotion of economic and trade exchanges and cooperation between the two sides of the strait.

In the past 40 years, CCPIT has successively held exhibitions and participated in international fairs in 128 countries and regions on more than 600 occasions, and received a total of more than 300 million overseas visitors to these exhibitions and fairs. CCPIT has also organized and arranged more than 500 exhibitions for foreign countries and the Hong Kong-Macao region in Beijing, and nearly 2,000 economic, trade, and technical exhibitions for overseas companies and organizations and tens of thousands of technical exchange forums in all parts of our country.

Since 1989, CCPIT has begun to organize an international fair every two years. Some specialized exhibitions have also been held on a regular basis.

The China International Economic and Trade Arbitration Commission and the China Maritime Arbitration Commission affiliated to CCPIT have won good reputations in the international community. CCPIT also acts as an agent for foreign-related patents and foreign-related trademarks, and handles such trade-related legal affairs as issuing and confirming certificates and adjusting average. Through editing, publishing, and distributing newspapers, journals, and other publications on foreign economic activities and foreign trade, CCPIT has also played an active role in foreign economic and trade propaganda.

The trade promotion undertaking is still in the ascendant. We shall continue to make unremitting efforts to explore the path of developing a socialist state's chamber of commerce with our own national characteristics.

Experts Discuss Southwest Development in Forum

HK0605135192 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 16, 20 Apr 92 pp 30-31

[Article by Liu Xiaoxing (0491 2556 5887) and Xu Bo (1776 3134): "Chinese, Foreign Specialists Gather in Chengdu To Offer Advice for Development of Southwest China"]

[Text] The strategy of developing areas along the coastline, the major rivers, the borderline, and the trunk railway lines has promoted the forming in China of a new pattern of opening up to the outside world. However, how should southwest China move out of the closed situation and find its right position in this new development pattern? This is not only a question that the Chinese experts and scholars concerned have begun to

consider, but also a question that has aroused great interest among some foreign experts and scholars. They generally hold that southwest China is facing a historic opportunity for opening up and being linked to Southeast Asia, so this favorable opportunity must be grasped and breakthroughs should be made.

It Is Necessary To Fully Use the Most Favorable Opportunity for Economic Cooperation

Southwest China includes the four provinces (or autonomous region) of Yunnan, Guizhou, Sichuan, and Guangxi; and one metropolis, Chongqing. Its population and area separately account for one-fifth and one-seventh of the national total. This region did not move fast enough in the course of reform and opening up in the past. The per capita gross social product in the four provinces (or autonomous region) was just a bit higher than half of the national average; the volume of export trade was just a bit more than one-quarter of Guangdong's; and the total amount of foreign capital being attracted to this region was even lower than the level of a county in Guangdong. This situation was noticed by people of insight.

In March, more than 40 Chinese and foreign experts and scholars gathered in Chengdu to attend an international academic symposium on southwest China's opening and its relations with Southeast Asia. In their speeches, they pointed out that Southeast Asia has ushered in a period of dynamic economic development and has also brought about a historic opportunity for southwest China to move out of its closed situation. The vast area of southwest China is rich in resources and constitutes a broad market. In this region, there exist all sorts of industries and a large quantity of low-cost labor force. In addition, its economy also benefits from its access to the border belt and the maritime shipping lines. As long as a more positive attitude is adopted, the region can make certain great accomplishments.

Zhang Hanzhi, director of the State Council's Development Research Center International Department, was previously responsible for Southeast Asian affairs in the Ministry of Foreign Affairs. At the symposium, she stressed that economic development must be guaranteed by political stability. With the improvement and reinforcement of China's relations with various Southeast Asian countries, the most favorable opportunity for economic cooperation in the last half-century has appeared in this region. It is expected that southwest China's development will be a subject frequently discussed by people.

Experts attending the symposium all agreed with this opinion. With the Cambodian issue's settlement, wars that lasted nearly half a century in Indochina have ended. This is of great significance for Southeast Asian countries, and for southwest China as well, which is pursuing the opening policy.

Huang Chih-lien, chairman of the Asia-Pacific 21st Century Society in Hong Kong, held that economic

cooperation between the ASEAN and Indochinese countries is being further strengthened and is getting more active, and there has emerged a tendency to form an integrated Southeast Asian market. A bright vista has also appeared in the comprehensive cooperation between southwest China and the countries on the Indochinese peninsula.

Sikalapi [2448 0595 2139 4122], senior Asian affairs adviser for the U.S. Government and former director of the East Asia Institute of the University of California, stressed that inseparable relations exist between China and Southeast Asia, and one must consider such relations when approaching exchanges between southwest China and Southeast Asia.

Some experts held that the key to southwest China's development still lies in grasping the opportunities brought about by reform and opening up. It has now built up the "forward positions" for opening up to the outside world along the coastline and borderline through efforts of more than 10 years, so it must have the courage to fully use these "forward positions" to speed up the process of making exchanges with Southeast Asia, and must not miss the favorable opportunity.

The experts also stressed: In the domestic competition, the gap between different localities is clear at a glance; but it is not easy to have a clear idea about the international situation, especially the situation in the region where efforts will be made to open the market and carry out economic exchanges.

According to the prediction of the world's authoritative economists, through the economic growth in the 1980s, the ASEAN countries' economies in the 1990s will become more vigorous and dynamic and their average annual growth rate will be close to 7 percent. This region will become the world economy's "growth pole." Following the "four little dragons," Malaysia, Thailand, Indonesia, and the Philippines are expected to become "dragons" by the end of this century and early in the next century. Therefore, southwest China must endeavor to catch up with them.

The Broad Prospects of Cooperation Between Southwest China and Southeast Asia

At the symposium, through analyzing the economic structures of southwest China and Southeast Asia, experts and scholars from different countries and the provincial and city leaders all agreed with the following point of view: China's southwest region and Southeast Asia economically complement each other to a large extent, so it is completely possible for the two sides to carry out cooperation and seek common development on the basis of equality and mutual benefit.

Professor Huang Chao-han, director of Singapore's East Asia Research Institute, held: ASEAN, as a producer and exporter of elementary products, can be extensively complementary to the Chinese economy. As long as China and ASEAN both keep their respective economies

growing, the economic cooperation between the two sides will be further strengthened.

Yang Rudai, secretary of the Sichuan Provincial CPC Committee, pointed out at the symposium's opening ceremony: China's southwest region has a sizable and full-range industrial foundation and also has traditional industry which is widely distributed and agriculture which is based on manual farming. The economic development levels and economic structures of various Southeast Asian countries are widely varied. So each side can easily find their complement in the other side. Therefore, a great deal of things can be done in expanding economic and trade cooperation and scientific and technological exchanges between China's southwest region and Southeast Asia.

Precisely by virtue of such complementarity between the two sides, in the past more than 10 years, the volume of trade between China and the Southeast Asian countries has been increasing rapidly. According to statistics, ASEAN is now southwest China's fifth largest trade partner. Since 1989, Yunnan, Guizhou, and Sichuan have separately held export fairs in Bangkok, Macao, Hong Kong, and Singapore, which attracted the participation of large numbers of businessmen from various Southeast Asian countries and reached a considerable quantity of transactions.

According to records, Yunnan, which is adjacent to Vietnam, Laos, and Burma, began to expand border trade in small amounts with the neighboring countries by using its favorable geographic location. So far, its total volume of imports and exports has been increasing at the annual rate of 30 percent, and the whole province did a total volume of \$300 million in import and export trade last year. In Guangxi, border trade with Vietnam is also brisk. Border trade has become the locomotive of the border area economies, which can thus shake off poverty, get rich, and expand the scale of opening up.

In addition to border trade, cooperation between China's southwest region and the Southeast Asian countries has also been making progress in the fields of jointly developing resources, investing in each other, undertaking foreign construction contracts, and exporting and importing complete sets of equipment and technology, as well as in the field of tourism.

However, the experts also unanimously pointed out that at present, the economic cooperation between southwest China and Southeast Asia remains at a rather low level. So they forwarded quite a few ideas and proposals which can be taken as reference.

Shen Yu, from the Yunnan Provincial Academy of Social Sciences, said that economic development and export processing zones can be set up in selective places in the southwest. He also proposed that southwest China's resources advantage be used to attract investment from Southeast Asian and other countries.

Ren Zhigang, from Sichuan, said: A major breakthrough can be made in expanding economic relations with Southeast Asia through the development of border trade. The states should sign official border trade agreements. Various economic organizations engaged in border trade, including joint ventures and companies solely owned by single investors, should be set up. While developing bilateral trade with relevant countries, southwest China should also vigorously develop entrepot trade. A number of enterprise groups and transnational companies oriented to trade with Southeast Asia should be established. The Chinese side may also join hands with various Southeast Asian countries in training competent personnel who have good knowledge about the economies in China and in Southeast Asia and can provide services for both sides. By taking the first step with the export of labor service, the Chinese side may build comprehensive economic and trade connections and gradually expand cooperation to all aspects.

Southwest Provinces Must Give Play to Their Overall Advantages

The vast southwest region should join hands in opening to Southeast Asia. This is an original idea frequently and warmly discussed by officials, specialists, and scholars from the four provinces and one metropolis under the changing domestic and international situation. They all agreed that strengthening lateral association among all localities has become a crucial component of the strategy for opening up southwest China to the outside world.

Zhao Heman, director of the Guangxi Academy of Social Sciences Southeast Asia Research Institute, said that all provinces and autonomous regions in southwest China must join forces in opening up to Southeast Asia. This is because the domestic and international situation is pressing and the gap between the southwest and the coastal areas is getting wider. Only by joining forces can they quickly narrow the gap between them and the coastal provinces. Various provinces and regions in southwest China have their own advantages and disadvantages. The advantages of one locality may precisely be the disadvantages of another locality. If they do not strengthen their association, it will be hard for them to make great strides in the course of opening up to the outside world.

Among the four provinces and one metropolis, Guangxi is the sole locality with both a coastline and borderline, and it is also China's third largest home for Overseas Chinese. Yunnan is reputed as the "kingdom of resources," and is also adjacent to three countries: Burma, Laos, and Vietnam. In Yunnan, there are some state-level ports for foreign trade and a lot of local-level border trade points. Although Sichuan, Chongqing, and Guizhou are completely inland localities without coastline or borderline, they have rich resources and products, a full range of industries, and the nation's first-rate technical forces. If these localities can put their separate

advantages together, they will form a rather powerful economic community that can never be looked down on in China.

However, the experts also pointed out some problems in the association [lian he 5114 0678] of the southwest provinces and regions. Han Yuhui, of the Chongqing Academy of Social Sciences, said: At present, the existing management system under which each province may go its own way has made it more difficult to achieve the best results in the overall coordination and cooperation in the whole southwest region. The local governments' behavior tends to seek short-term interests for themselves, and local protectionism has caused some market barriers and has led to separation and even conflicts between localities in their foreign economic activities. This has made it hard for them to act in unison according to a common strategy for opening up to the outside world.

In view of this difficult problem, some scholars proposed that a breakthrough can first be made in the establishment of a united market. The four provinces and one metropolis should reasonably arrange the division of work among themselves, and thus establish a multitiered and multityped market system that cuts across provincial frontiers. It is particularly necessary to quicken the development of the capital, information, and technology markets. At the same time, a number of transprovincial and transdepartmental productive enterprise groups with competitive power and advantages at home and abroad should be organized in a well-planned way.

The experts also forwarded proposals on giving priority to the development of infrastructural facilities in the fields of transportation, communications, and energy production and on establishing a coordination institution for the whole southwest region and strengthening its functions.

University Popularizes Agricultural S & T

HK0705093092 Beijing RENMIN RIBAO in Chinese
4 May 92 p 3

[By Jiang Jianke (5592 1696 4430) and Li Jinghua (2621 0079 5478): "Beijing Agricultural University Establishes System of Promoting Agricultural Technological Teaching"]

[Text] In the course of teaching system reform, Beijing Agricultural University is carrying out bold explorations. Focusing on the popularization of agricultural science and technology, this university took the lead in starting an agricultural popularization course. After several years of efforts, it has turned out a number of doctorate, masters, and bachelors degree holders who specialize in agricultural scientific popularization. Recently, the university commended three professors and five assistant professors for their remarkable research into the science of popularization. This evoked strong repercussions throughout the country.

Since the PRC's founding, our country has made world-renown achievements in popularizing agricultural science but is still weak in popularizing theoretical research. In

1986, the State Education Commission authorized Professor Zhang Zhongwei, a famous economist at the Agricultural University, to run the "first teachers training course in agricultural popularization," which was attended by 46 teachers from 42 colleges and universities throughout the country. This marked the formal commencement of the research on agricultural popularization. This training course has proceeded for five years. In 1987, Beijing Agricultural University formed an agricultural popularization faculty. In the following year, it set up a comprehensive agricultural development center—the first agricultural popularization organization in Chinese higher learning institutions, thus gradually strengthening the university's popularization function. In the last few years, taking account of the comprehensive harnessing of the Huang He, the Huai He, and the Hai He as well as the work to assist the poor, the university has directly joined the country's economic construction. This has helped build closer ties between the university and society, popularize scientific research achievements, improve the peasants' quality, accumulate experience in agricultural popularization, and train a number of scientific and technological personnel in agricultural popularization.

To put the popularization of agricultural science in a proper position, in 1988 Beijing Agricultural University formulated "Provisional Regulations for Appraising Professional Positions." It recruited 10 assistant professors engaged in agricultural popularization and research. This move enjoyed the support of the State Education Commission and the Ministry of Agriculture. Early this year, the university revised the regulations according to the relevant State Education Commission documents to clarify the duties and qualifications of professors and assistant professors in agricultural popularization and to increase the percentage of appraisal marks for agricultural popularization work. It also formed an agricultural popularization and development group in the appraisal committee for senior professional positions. To ensure the quality of the first group of professors, the agricultural popularization and development group held an open debate. People in charge of the State Education Commission and the Ministry of Agriculture were invited to the debate and many teachers and cadres voluntarily attended. Three teachers, named Lan Linwang, Li Jinyu, and Mei Ruhong, were promoted to professors in agricultural popularization.

According to incomplete statistics, over 30 colleges in the country have provided courses in agricultural popularization, and more than 7,000 students and teachers are studying the basic knowledge and theory on agricultural popularization. Marked achievements have been made in research on agricultural popularization. In early 1990, agricultural popularization research societies were established throughout the country. So far, over 600 theses on agricultural popularization have been submitted or announced at different academic seminars. The second edition of "Science of Agricultural Popularization," compiled by some 20 agricultural colleges in the country, the first of its kind since the PRC's founding, has had a circulation of 19,000 copies.

East Region

Editorial on Shanghai Congress, Session

OW0505143392 Shanghai JIEFANG RIBAO in Chinese
29 Apr 92 p 1

[JIEFANG RIBAO editorial: "Emancipate Our Minds and Be Courageous in Blazing a New Trail—Greeting the Conclusion of the Fifth Session of the Ninth Shanghai Municipal People's Congress and the Fifth Session of the Seventh Shanghai Municipal CPPCC Committee"]

[Text] The Fifth Session of the Seventh Shanghai Municipal CPPCC Committee and the Fifth Session of the Ninth Shanghai Municipal People's Congress—a focus of much attention—respectively came to their successful ends. The two meetings were held in an atmosphere of democracy, practicality, unity, and enthusiasm. The meetings aimed at mobilizing Shanghai's people as a whole to engage in a new struggle. We would like to express our heartfelt congratulations on the successful conclusion of the meetings.

At the meetings, Comrade Deng Xiaoping's important remarks during his trip to the south, especially his important remarks during his inspection in Shanghai, became major topics of the deputies and representatives. A clear consensus was reached during the meetings, that is, we should make good opportunities to deepen reform, open wider to the outside world, and accelerate the pace of turning Shanghai into one of the leading economic, financial, and trade centers in the Far East. Now that the major policy has been adopted, we should try our best to carry it out. We should climb to a new stage by taking new steps and seeking new ideas in order to reach a new frontier. All in all, it is necessary for us to further emancipate our minds and blaze a new trail for Shanghai's invigoration and taking-off.

—It is necessary to help move the economic development into a new stage. At the meetings, it was decided to increase Shanghai's GNP by 7 percent to meet the objective needs of the 1990's. In the 1980's, Shanghai maintained economic growth rates between 7.2 percent and 7.3 percent and increased its GNP 200 percent in 10 years. By the end of this century, Shanghai's GNP is expected to double again, fulfilling the task entrusted to Shanghai by the "Trilogy" plan. To achieve this goal, Shanghai's annual growth rate should be over 7 percent, which is practical. In the first quarter of this year, Shanghai's industrial output value increased by 20 percent. It has a great input for infrastructural construction and a great project for technical renovation this year. All of these facts create necessary conditions for Shanghai's rapid economic development. In the first quarter of this year, Shanghai introduced 222 foreign investment projects, with a negotiated amount exceeding last year's total. Moreover, such investment momentum is growing. Therefore, it is possible for Shanghai to have a quicker

economic development. The policy adopted at the meetings is sensible because it is based on solid facts. The growth rate we have in mind is not an unwarranted search for output value. It is based on the fact that we have a ready market and good economic efficiency. To achieve this goal, we should build on Shanghai's overall economic advantages, develop tertiary industry by improving its structure, and accelerate the pace of upgrading secondary industry by adopting advanced technologies. We should take advantage of land lease prices in Shanghai and improve urban planning. Shanghai should take good advantage of the open policy in the 1990's. It should seek a rapid economic growth rate by developing the Pudong area and by inviting more investment from the outside world and from inland China.

—It is necessary to take new steps in developing Pudong. The new area of Pudong is the hope for Shanghai's invigoration and development. To develop Pudong, we should accelerate infrastructural projects and create a favorable investment environment in this area. While accelerating the pace of inviting foreign investment by playing the "world card," we should take measures to carry out the policy of "two linkages." The first linkage means connecting Shanghai with the Chang Jiang Delta and other regions of the country by playing the "China card." We should make better use of investment from inland China and invite central authorities and other provinces and cities to build large projects in Pudong and make Pudong a big market. The second linkage means linking Pudong with Puxi. Enterprises in Shanghai, particularly in Puxi, should improve their understanding about the economic policy by renewing their study. They should take good advantage of the policy of opening Pudong by participating in its development in various ways. We should seize the rare opportunity by the forelock and help Shanghai's enterprises become even more export-oriented.

—In deepening reform, we need to have new ideas. In reforming Shanghai, we should concentrate on enterprises, especially on large- and medium-sized state-run enterprises. The key to reforming enterprises lies in becoming more market-oriented. In other words, enterprises should be responsible for their own management, profits and losses, self development, and self restraint. Of course, there are many other ways to improve enterprises. In addition to those pilot experimental units, other enterprises should take the initiative in carrying out their own reform programs. In order to have great economic development, Shanghai's commercial circle should improve its operational mechanism by taking the initiative to establish a large business, large market, and large circulation system. We should carry out reform in the pricing system, labor protection, housing program, and financial system around the central task of making enterprises more market-oriented. To facilitate the smooth formulation and deepening of these reforms, which are closely linked to the immediate interests of the masses of the people, government departments at all levels must have the new thinking of a socialist commodity economy and must

popularize the concept of socialist commodity economy by reeducating the vast masses. When doing practical work for the people and solving long-standing traffic, housing, and food supply problems, we should also change our mentality and explore new thinking to establish various systems of socialist commodity economy in the spirit of reform and opening to the outside world.

—We should attain a new plane in promoting both material and spiritual civilizations. The key to paying due attention to both material and spiritual civilizations lies in establishing a complementary and compatible relationship between the two. This year, an important task for developing spiritual civilization is to promote among all Shanghai residents a thinking for accelerating reform, opening to the outside world, and economic construction to make them fully aware of the situation and their tasks, learn from advanced examples, and rouse their enthusiasm. This will bring about strong public support for reform and opening to the outside world and greatly lift the public's psychological endurance of the acceleration of reform and opening to the outside world and the strength of their joint efforts. While deepening reform and opening wider to the outside world, we should also pay close attention to improving the legal system to safeguard reform and opening to the outside world as well as sternly crack down on all criminal offenses and put an end to hideous phenomena to ensure the acceleration of reform and opening to the outside world in a stable and healthy social environment.

—The government's functions should be changed. In 1983 and 1988, Shanghai twice saw the delegation of decision-making powers. This time it would be a reform that centers on the delegation to districts and counties of authority to examine and approve projects involving foreign investment of under \$5 million, to transform old areas, and to develop "tertiary industry," aimed at streamlining the administration and delegating decision-making powers. The separation of political duties from enterprise managerial functions is the core of the transformation of the government's functions. We should free enterprises from their position as the appendage of government departments and place them on the market; government departments should stop playing the role of "grandmothers" for the enterprises and should instead devote their efforts to creating, fostering, regulating, and protecting the market and concentrate on pushing the enterprises toward the market. The transformation of functions inevitably entails the change of mentality as well as work style. Government departments at various levels should take the lead in emancipating their minds, go all out to push forward the reform, earnestly and sincerely play the "China card" and the "world card," take the initiative to carry out exploration and innovation in the spirit of reform, and spare no effort to serve enterprises and the market.

If we are to open up a new prospect for Shanghai's reform, opening to the outside world, and economic

development; we must stop all empty talk and place our emphasis on practical work. Doing solid work does not mean sticking to the old practice and getting tied down with work, but, precisely, devoting our real effort to the exploration and experiment of reform and opening to the outside world. We should have the courage to "break new paths" and to try. Without a little pioneering spirit, a little courage to "take a risk", and the persistence to press on, we will never be able to open up a good, new path for invigorating Shanghai. Having the courage to break new paths means being bold in stepping into the "restricted zone" of established practices that are incompatible with present needs, daring to break into "blind areas" untouched by the predecessors, and having the courage to break into "difficult areas" that are filled with tangled contradictions and that turn away others at the sight of it, in practicing reform and opening to the outside world. Breaking new paths means exploring, experimenting, and pioneering. Practice is the toughest thing; we should permit, support, and protect the breaking of new paths as long as it is consistent with the party's basic line, is an exploration of a new path for this exceptionally big city to develop its economy which is an integration of the planned economy with the market economy, is conducive to promoting the overall economic strength, accelerating development, and improving the people's living standard in Shanghai. This is not blind, reckless, or aimless breaking of new paths, but the seeking of truth from facts, emancipation of the mind, and courageous practice. The cadres' mentality is the key to breaking a new path and attaining a fast pace. We should mainly prevent inclination toward the "left," while guarding against the right. It is necessary to further unify the cadres' understanding by popularizing the party's basic line and comrade Deng Xiaoping's speech, to bring about firm, pioneering, and practical reform and opening to the outside world.

Seize the opportunity, accelerate our pace, emancipate the mind, and courageously break a new path. Shanghai is full of promise.

Central-South Region

Guangdong Rally Commemorates Youth Organization

HK0605114992 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 4 May 92

[Text] This morning, more than 1,600 representatives of the Communist Youth League [CYL] and youth from all walks of life in the Guangzhou area held a rally in the provincial party committee auditorium to solemnly commemorate the 70th anniversary of the CYL founding and the 73rd anniversary of the 4 May Movement.

Central Advisory Commission members Ren Zhongyi and Liu Tianfu; provincial leading comrades, including Zhang Guoying, Song Zhiying, Chen Li, Lu Zhonghe, and Zhang Zhanxia; as well as comrades in charge of Guangzhou City, the Guangzhou Military Region, and the Guangdong Provincial Military District attended the rally.

Amid a cheerful and lively melody, the leading comrades conferred certificates of honor on a total of 180 advanced CYL members and cadres who had made outstanding contributions to Guangdong's two civilizations building and CYL building. Some 200 representatives of all the newly recruited CYL members took an oath in front of a CYL flag.

Zhang Guoying, provincial party committee deputy secretary, delivered a speech at the rally, in which he called on the CYL organizations across the province to carry out in-depth and persistent education on the party's basic line and unify both ideology and action of the CYL members and youth with the party's basic line.

Zhang Guoying expressed the hope that the broad masses of the CYL members and youth will actively throw themselves into the great tide of reform and opening up, work hard, and contribute more to Guangdong's reform, opening up, and two civilizations building.

Guan Guangfu Addresses CYL Commemoration Forum

HK0705071992 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 4 May 92

[Text] The following is an excerpted speech delivered by provincial party committee Secretary Guan Guangfu at the Hubei Provincial Conference on Commemorating the 70th Anniversary of the Communist Youth League [CYL] Founding, which was held this morning:

Guan Guangfu stated: Over the past 70 years, under CPC leadership, CYL organizations at all levels across the province have successfully carried out work by closing centering on the party's central tasks set for different historical periods and united and led the broad masses of youth across the province in bravely forging ahead and making important contributions to the Chinese people's liberation cause and China's socialist construction, thus adding many a new chapter to the annals of China's youth movement and work.

Guan Guangfu pointed out: At present, our reform and construction cause is confronted with a new situation and a new opportunity. As a staunch assistant and a reliable reserve force of the CPC, the CYL must give top priority to studying and implementing the spirit of a recently concluded CPC Central Committee Political Bureau plenary session and the spirit of Comrade Deng Xiaoping's important speeches, actively take the initiative to carry out all types of work in a creative manner, act as a vanguard in the course of reform and opening up, boldly try new things and make explorations, and strive to blaze new trails aimed at rejuvenating Hubei's economy.

Guan Guangfu expressed the hope that the CYL organizations at all levels will take adhering to the party's basic line as a firm and unshakable political orientation and educate the broad masses of the CYL members and youth with a view to enabling them to understand that

liberation and development of productive forces is a fundamental task of socialism that is being built by the Chinese people under CPC leadership and will also closely adhere to economic construction as the center, promote production and economic development, develop comprehensive national strength of the socialist motherland, urge the broad masses of youth to actively participate in reform and opening up with limitless dedication and burning enthusiasm, and educate and help the broad masses of the CYL members and youth to consciously arm themselves with Marxism, enhance confidence in taking a socialist road with salient Chinese characteristics, continually raise ideological levels, and become politically more mature.

Guan Guangfu emphatically maintained: In the new period of reform and opening up, the CYL must lead the broad masses of youth to act as a vital new force and a shock brigade on the major battlefield of economic construction.

Guan Guangfu noted: The key to Hubei's faster development lies in our successful work as well as concerted efforts of the whole province. Therefore, CYL organizations at all levels must inherit glorious traditions, develop unique superiorities, give unreserved support to province-wide economic construction, and conduct more effective, impressive, and fruitful work. In the new period of reform and opening up, CYL organizations must take as a point of departure and a central task the work of training and fostering socialist cause successors. To train and foster tens of millions of socialist cause successors is at once an onerous historical task and a sacred mission entrusted by the CPC to the CYL. [words indistinct] The CYL must arm and educate youth with Marxism-Leninism, and Mao Zedong Thought and help youth cultivate a scientific world outlook and a scientific outlook on life, enhance a concept of reform and opening up and a sense of legal system, improve cultural and technological quality, and train them into a new generation of people with lofty ideals, moral integrity, cultural accomplishments, a sense of discipline, and a capacity to adhere to the line of reform and opening up.

Guan Guangfu concluded his speech by calling on the CPC committees at all levels across the province to earnestly strengthen leadership over the CYL work in the new period of reform and opening up. To this end, Guan Guangfu added, the CPC committees at all levels must make painstaking efforts to help improve the CYL and youth work, with each assigning a member to take personal charge of the CYL and youth work, and must support CYL organizations in conducting all sorts of activities suited to youth, create necessary conditions for CYL work, and secure a timely grasp of both the demands and ideological trends of the broad masses of CYL members and youth with an eye on helping them grow healthily.

Southwest Region

Tibet CPPCC Standing Committee Meeting Closes

OW0105174692 Lhasa Tibet Television Network
in Mandarin 1230 GMT 1 May 92

[From the "Tibet News" program]

[Text] The ninth meeting of the Standing Committee of the Fifth Tibet Regional Committee of the Chinese People's Political Consultative Conference [CPPCC] closed in Lhasa on 30 April. Attending the meeting were Pagbalha Geleg Namgyai, Lhamin Soinam Lhunzhub, Jimzhong Gyaincain Puncog, Lhalu Cewang Doje, Tangmai Gongjue Baimu, Gonbasar Tunbdanjigzha, Qaba Gaisang Wangdui, Cedain Zhoima, Duoizha Jiangbailuosang, vice chairmen of the Fifth CPPCC Tibet Regional Committee; and Secretary General (Xu Hongsheng) of the regional committee. Sengqen Lozong Gyaincain, member of the CPPCC National Committee, who is in Tibet, attended the meeting by invitation.

There was a quorum because 53 of the 74 members of the Standing Committee of the Fifth CPPCC Tibet Regional Committee attended the meeting. Comrade Deng Xiaoping's important speeches were conveyed to the participants at the meeting and they studied the speeches. The meeting examined and approved the work report of the Standing Committee of the Fifth CPPCC Tibet Regional Committee and the draft agenda and schedule for the Fifth Session of the Fifth CPPCC Tibet Regional Committee. Vice Chairman Pagbalha Geleg Namgyai of the regional CPPCC committee, spoke.

He said: Comrade Deng Xiaoping's important speeches have profound, far-reaching historic significance for reform, opening up to the outside world, and socialist modernization, and they completely conform to reality in Tibet.

He said: Accelerating the pace of reform and opening up to the outside world is an objective requirement. Comrade Xiaoping's important speeches have resolved many problems of ideological understanding and are a powerful weapon to help us emancipate our minds. Only by raising our understanding and emancipating our minds can we enable the CPPCC to play its role in the endeavor to develop the economy, deepen the reform, and open up wider to the outside world. The remark "one central task and two basic points and we will not waver for 100 years" is very wise. Socialism is bound to replace capitalism—this is the general trend of the development of history, which cannot be turned back. CPPCC members have close contacts with the masses because they were selected from all sectors of society. There is much work to be done in this aspect. The important task is to go among the masses to strengthen investigations and studies, sum up and spread the masses' experiences and methods of work, and make practical and effective suggestions to party committees and governments. In the past few years, CPPCC committees at all levels in our region, focusing on the party's central task, have made positive

contributions to helping party committees and governments make policy decisions by offering suggestions. But we are still far from meeting the requirements. Therefore, we should further emancipate our minds, enliven our political consultation work, conscientiously carry out the functions of political consultation and democratic supervision, and serve as good advisers for the complete implementation of the party's basic line of "one center and two basic points" and "one center and two major matters" and the regional party committee's formulation of "three guarantees."

We should hold high the two banners of patriotism and socialism, carry forward the fine tradition of the CPPCC, actively participate in the deliberation and administration of state affairs, and do away with the view that the CPPCC is inert. We should combine political consultation with supervision and actively help party committees and governments fulfill their work of reform and opening up to the outside world. We should be honest, do practical work, pay attention to results, seek truth from facts, and resist formalism; and for what we regard as correct, we should boldly make suggestions to party committees and governments. Under the leadership of the CPC, CPPCC organizations at all levels, CPPCC members, and patriotic personages of all nationalities and of all circles should work hard for and make contributions to accelerating the pace of reform, developing the economy, safeguarding the unification of the motherland, opposing splittism, safeguarding national unity, and consolidating political stability.

Tibet Finance Officials Report to Congress

OW0505050792 Lhasa Tibet People's Radio Network
in Mandarin 1425 GMT 4 May 92

[From the "News and Information" program]

[Text] The second meeting of the Fifth Session of the Fifth Tibet People's Congress was held at the Tibetan People's Hall on the afternoon of 4 May. A total of 347 deputies attentively heard a report by Mao Rubai, vice chairman of the Tibet Autonomous Regional People's Government, on further emancipation of the mind and on acceleration of the pace of reform and opening. They also heard a report by Xiang Yang, chairman of the region's Economic Planning Commission on the execution of the region's 1991 national economic and social development plan and the draft of the region's 1992 plan; and a report by (Pingcuo), deputy director of the region's Finance Department, on the execution of the region's 1991 budget and the draft 1992 budget.

Namgyai, executive chairman of the Fifth Session of the Fifth Tibet Regional People's Congress, and executive chairman of the current meeting, presided. The executive chairmen of the current meeting are: (Chen Guiyuan), Wang Guangxi, Jiang Chengguang, (Gao Shizhen), (Zhinian Doje), (Wu Jianli), (Yangji Ramu),

(Zaba Jiangcuo), (Losang Chinba), (Renzen), Mingwa Wandui, Luoga, Luosang Jiangcun, Zhang Zhu, (Ahgo), and (Zhang Lichong).

Xiang Yang's report is in two parts: The first deals with the execution of the region's 1991 plan. The second touches on the major goals and tasks of the 1992 plan. After reviewing last year's economic work, Xiang Yang pointed out the four salient features of last year's economic work: First, the party and society attached great importance to economic work. Second, the region made a good start in implementing the region's 10-Year Program for National Economic and Social Development and the Eighth Five-Year Plan. Third, the region's farming and pasture areas have been undergoing profound changes with the constant deepening of reform. Fourth, the work on comprehensive agricultural development for the Yarlong Zangbo, Lhasa, and Nyang Qu River Valley began and the first batch of projects are proceeding smoothly. When speaking on the major goals and tasks of the 1992 plan, Xiang Yang said that Tibet will continuously deepen reforms; strive to bring about increases in production, growth in economic development, and a rise in economic efficiency through reform measures; continuously do a good job in agricultural and animal husbandry production; promote comprehensive economic development in farming and pasture areas; make efforts to bring about a steady growth in the economic efficiency of industry and communications; enhance management on capital construction; raise investment efficiency; greatly improve the distribution system; strengthen management of urban and rural markets and strive to make people lead a comfortable life; persist in opening; greatly promote foreign trade and tourism; and further develop science, technology, education, and other undertakings.

The deputy director of the region's Finance Department's report is in three parts: The first deals with the final accounts of the 1991 finance; the second touches on the draft 1992 budget; the third part is a call on all to rise with force and spirit, increase revenues and cut expenses, and work hard to realize the 1992 budget.

Reporting on the achievements of 1991 finance work, Deputy Director (Pingcuo) noted that the region collected 23.25 million yuan in revenue last year, exceeding the budget by 21.93 million yuan [as heard], which was a growth of 28.5 percent over 1990. Also in his report, Deputy Director (Pingcuo) clearly stated the guiding thought and principle for formulating the 1992 budget and for managing 1992 revenue. In order to realize the 1992 budget, Deputy Director (Pingcuo) pointed out the need to further emancipate the mind; explore all means to enlarge financial sources; deepen financial and taxation reforms; manage distribution relations well; reduce financial burdens; step up tax collection management; ensure the steady increase of revenue; make sure to give priority to major tax collection tasks; control general expenses; enforce financial and economic laws and regulations; and strengthen financial supervision.

Tibet To Take Measures To Accelerate Opening Up

OW0705014792 Beijing XINHUA in English
0038 GMT 7 May 92

[Text] Lhasa, May 7 (XINHUA)—Tibet will take flexible measures to give full scope to its favorable geographical location of bordering on several countries and rich tourism resources to step up the pace of opening to the outside world, according to Mao Rubai, vice chairman of the Tibet Autonomous Regional Government.

He told the ongoing fifth session of the Fifth Regional People's Congress will exploit to the full the preferential policies given by the central government to expand economic and technological cooperation with the outside world.

The Tibet Autonomous Regional Government plans to use more loans provided by international financial organizations instead of receiving aid given gratis to develop new energy, agriculture and livestock breeding, export products and tourism products and construct tourism, posts and telecommunication facilities and upgrade the technology of enterprises.

Mao Rubai said that Tibet will improve its service trade and the investment environment to attract more investment and expand cooperation with foreign countries.

The regional government also encourages enterprises in the region to run economic entities of various types in special economic zones and economic development zones in the country and run enterprises in neighboring countries by using the regional raw materials, semi-finished products and technical equipment.

Tibet is contiguous to five countries with the boundary line approaching 4,000 km. the official said Tibet will pay much attention to developing foreign trade and border trade in a bid to promote economic development in the border areas.

Mao held that tourism is one of the newly developed industries in Tibet. Tibet will open more tourism routes and scenic spots. Tibet will make full use many mountain peaks in the region and organize special tourism activities such as mountaineering, exploration and scientific investigation.

Pu Chaozhu Delivers Yunnan Work Report

HK0405122792 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 1 May 92

[Excerpts] The enlarged Third Plenary Session of the Fifth Yunnan Provincial CPC Committee was convened in Kunming 28-30 April.

The following were the three major topics discussed at the plenary session:

1. Further studying Document No. 2 of the CPC Central Committee and Comrade Deng Xiaoping's important

speeches, further emancipating the mind, and further accelerating provincewide economic development.

2. Deliberating on and discussing the tentative namelist of candidates for provincial deputies to the forthcoming 14th CPC National Congress.

3. Discussing and electing provincial party committee members through a by-election and deciding on some personnel appointments and removals at panel discussions.

On behalf of the provincial party committee Standing Committee, provincial party committee Secretary Pu Chaozhu delivered a work report entitled: "Further Emancipate the Mind, Further Transform Work Style, Strive To Open Up New Vistas for Yunnan's Economic Construction."

He Zhiqiang, provincial party committee deputy secretary [and provincial governor], delivered a report entitled: "Implement and Carry Out the Spirit of the Southwest and South China Regional Planning Conference, Promote Transregional Economic Development, and Expand Opening Up to the Outside World."

Pu Chaozhu's work report was divided into the following three parts:

I. A review of major work accomplished since the Second Plenary Session of the Fifth Yunnan Provincial CPC Committee. [passage omitted]

Pu Chaozhu stated: Noteworthy progress has been made in the following aspects:

1. Implementation of all tasks laid down by the Fifth Yunnan Provincial CPC Congress and the Second Plenary Session of the Fifth Yunnan Provincial CPC Committee respectively.
2. Provincewide economic development.
3. Furtherance of all types of work.
4. Consolidation of the provincial agricultural foundation and comprehensive provincial rural economic development.
5. Large- and medium-sized enterprises improvement.
6. Steady increase in provincial industrial production.
7. Building of key projects.
8. Development of four major industries.
9. Opening up to the outside world.
10. Border trade development.
11. Spiritual civilization building and comprehensive harnessing of social order.
12. Further enhancement of a political situation of stability and unity.
13. Party building work, improvement of the party's organizational and combat effectiveness, and qualitative improvement of party membership.

II. The basic train of thought for and major tasks of Yunnan's future work.

Pu Chaozhu stated: Since Document No. 2 of the CPC Central Committee was relayed to Yunnan, the provincial party committee Standing Committee and the provincial government leadership have twice met to conscientiously study and discuss the document and have put forth the train of thought and concrete steps for implementing and carrying out the document in light of the realities in Yunnan, namely: Further emancipating the mind, further transforming work style, accomplishing four major tasks, and strengthening three weak links.

Pu Chaozhu noted: Comrade Deng Xiaoping's speeches have systematically expounded many important theoretical and realistic issues pertaining to reform, opening up, and economic construction, thus dispelling our misgivings and boosting our confidence. Our pressing task at the moment is to continually and conscientiously study Comrade Xiaoping's speeches, mobilize the masses to go all out to work hard, and strive to push Yunnan's economic development to a new stage within a few years and realize a comfortably well-off life for Yunnan people by the year 2000. In the years ahead, we must concentrate on implementing all types of work to the letter and fulfilling the following four major tasks: 1. To improve the provincial agricultural foundation. [passage omitted]

2. To improve large- and medium-sized enterprises. To this end, Pu Chaozhu added, it is necessary to quicken the pace of reform, transform the existing enterprise operational mechanism, enhance enterprise internal vitality, rely on advanced science and technology, speed up the pace of technological transformation, open up more new markets, and orient enterprise production to market demands.

3. To continually step up the building of infrastructural facilities. To this end, it is necessary to concentrate both financial and material resources on rapidly building a number of key communications, energy, electric power, and coal projects.

4. To speed up the building of all key development-oriented industrial projects. [passage omitted]

Pu Chaozhu maintained: We must closely adhere to the spirit of Comrade Xiaoping's important speeches, further emancipate the mind, further relax policy controls, further quicken the development pace, further overcome formalism, carry out more down-to-earth work, strengthen in a timely manner the three weak links of 1) circulation invigoration; 2) county-run industry development, which is aimed at raising the county-level financial self-sufficiency rate, fully developing township and town enterprises, and strengthening collective economic strength; 3) furtherance and expansion of opening up to the outside world and freer development of three types of foreign-funded enterprises. [passage omitted]

III. Bracing up, being bold in exploring new things, and carry out work in a practical and down-to-earth manner.

Pu Chaozhu noted: In order to secure the successful attainment of all goals, we must exert our utmost to

further emancipate the mind and transform work style. The key to ideological emancipation lies in the leaders. Therefore, we must transform leadership style as well as the work style of various organs, further step up party building, brace up, be bold in exploring new things, carry out work in a practical and down-to-earth manner, and make earnest efforts to strive to open up new vistas for Yunnan's economic development in order to greet the victorious convocation of the forthcoming 14th CPC National Congress. [passage omitted]

He Zhiqiang relayed the spirit of the Southwest and South China Regional Planning Conference and put forward several major principles governing the provincial work in the immediate future with a view to promoting transregional economic development and expanding provincewide opening up.

He Zhiqiang stated: In the years ahead, Yunnan must make conscientious efforts to keep a firm grip on the following five aspects of work:

1. Making earnest efforts to carry out market research.
2. Firmly grasping the current excellent opportunities to invite more foreign funds.
3. Expanding Yunnan's opening up to the outside world by making full use of various coastal open areas.
4. Wasting no time in developing the processing industry.
5. Deepening various ongoing reforms, implementing a new investment structure, and speeding up transregional economic development. [passage omitted]

The enlarged plenary session also adopted the following documents:

1. A Tentative Namelist of Candidates for Yunnan Provincial Deputies to the Forthcoming 14th CPC National Congress.
2. The Resolution of the Enlarged Third Plenary Session of the Fifth Yunnan Provincial CPC Committee on the Yunnan Provincial CPC Committee Work Report.
3. The Decision on the Convocation of a Yunnan Provincial CPC Congress in Kunming in June 1992.
4. The Decision on Electing Some Yunnan Provincial CPC Committee Members Through a By-Election, according to which Comrade Gao Panli, former alternate member of the Fifth Yunnan Provincial CPC Committee, was elected as a member of the Yunnan Provincial CPC Committee. [passage omitted]

The enlarged plenary session was presided over by Comrades Yin Jun and Pu Chaozhu and attended by provincial party committee members and alternate members, provincial advisory committee members, provincial discipline inspection commission members, Kunming-based Central Advisory Commission members and Central Discipline Inspection Commission members, some retired provincial party committee leaders, the CPC-member chairman and vice chairmen of the provincial people's congress Standing Committee,

CPC-member provincial vice governors, the CPC-member provincial Chinese People's Political Consultative Conference committee chairman and vice chairmen, principal persons in charge of party committees and leading party groups of various provincial commissions, offices, departments, and bureaus as well as various provincial-level institutions of higher learning and people's organizations, and various prefectural, autonomous prefectural, and city party committee secretaries.

North Region

Tan Shaowen Receives Cadre Group From Tibet

SK0705042092 Tianjin People's Radio in Mandarin
2300 GMT 5 May 92

[Text] A Tibet Autonomous Regional delegation composed of 68 cadres, headed by Dudaog Doje, vice minister of nationalities affairs, arrived in the municipality on the morning of 5 May. Cordially receiving and feting the Tibetan guests from the roof of the world on that evening were leading comrades from the municipal level organs, including Tan Shaowen, Wu Zhen, Liu Jinfeng, Yang Jingheng, and Song Pingshun. Members of the Tibetan delegation include outstanding cadres of six nationalities and from various social circles in the region as well as representatives of the People's Liberation Army units stationed in the autonomous region.

During yesterday's reception, Tan Shaowen, secretary of the municipal party committee, delivered a speech in which he expressed warm welcome to the Tibetan delegation and stated that Tibet autonomous region and Tianjin municipality had had a special relationship over the past many years and the people of various nationalities in the autonomous region and the municipality had established a profound friendship. Great Master Bainqen Erdini Qoigy Gyaincain and Ngapoi Ngawang Jigme, vice chairman of the National People's Congress as well as leading comrades from units at all levels across the autonomous region repeatedly came to the municipality to direct work or to pay a fact-finding visit. Many comrades of Tianjin municipality have gone to the autonomous region and made fact-finding tours. The economic construction of the municipality has also been vigorously supported by the autonomous region. He hoped that future exchange and cooperation between the autonomous region and the municipality would be further enhanced and become closer.

The Tibetan delegation will make a four-day fact-finding tour in the municipality. On the morning of 5 May, the delegation was briefed by responsible persons of the municipal level departments concerned on the municipality's situation in reform and opening up.

Northwest Region**Jia Zhijie Inspects Disaster-Stricken Areas**

*HK0605082192 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 3 May 92*

[Text] Yesterday evening, Governor Jia Zhijie visited Wushan and Gangu Counties, two rainstorm-stricken areas, where he inspected and inquired in great detail about the disaster situation and expressed sympathy and appreciation to the disaster-stricken people on behalf of the provincial party committee and government.

Governor Jia Zhijie also called on the two counties' leaders to make proper arrangements for the people's livelihood in the disaster areas and mobilize the masses to carry out production to tide over difficulties, thus minimizing the losses inflicted by the disaster.

Jia Zhijie added: This year, Gansu has been hit by a severe drought, abnormal weather, and an early arrival of the flood season. Therefore, while fighting drought, all areas across the province must heighten vigilance against and prepare for unexpected floods. [words indistinct]

Measures To Protect Intellectual Property Rights

OW0605141292 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
5 May 92

[From the "Hookup" program]

[Text] Immediately after high-level officials of the ruling party and government reached a firm decision yesterday on protection of intellectual property rights, the Department of Legal Affairs of the Ministry of Justice drew up specific measures on 5 May requiring all law courts, judges, and prosecutors to coordinate with the government on implementation of policy; mete out appropriate punishment according to the law without violating the spirit of independence of court trial; step up efforts to collect evidence; and conduct strict investigation and prosecution.

Wang Chia-yi, secretary general of the Ministry of Justice, said: The fact that the United States placed the Republic of China [ROC] among countries top on the list of Article 301 because we failed to take effective measures to prevent and check the criminal cases of violation of intellectual property rights, such as infringement of copyright and patent, counterfeit of trademark, and so forth has damaged the prestige and dignity of the ROC in the international community and, furthermore, incurred unfavorable treatment to ROC products exported to the United States.

The harm done by it is sufficient to affect economic development of the ROC in the future.

He went on: To coordinate with the government implementation of policy and review defects of judicial departments without violating the spirit of judicial independence, the Ministry of Justice issued a document once again to all its law courts, requiring that they must conscientiously follow regulations and mete out appropriate punishment according to the laws when they handle criminal cases of infringement on intellectual property rights in the future.

The Ministry of Justice has the authority and responsibility to issue such a document.

Legislators Act on Revisions to Copyright Law

OW0605165292 Taipei CHINA POST in English
2 May 92 p 12

["Legislators Act on Copyright Law"]

[Text] Legislators yesterday voiced strong opposition to the U.S. decision to identify Taiwan as a "priority foreign country" under Special 301 of the 1988 Omnibus Trade Act, during a session to screen revisions to the Copyright Law.

At the session, Lawmaker Wang Chih-hsiung said it was unfair for the Office of the U.S. Trade Representative to

blacklist Taiwan in defiance of concerted efforts by the government here to protect intellectual property rights.

Wang noted that although he supports Taiwan's side of the argument, he does acknowledge that the ROC's [Republic of China's] failure to come up with effective measures on copyright protection over the past two years has resulted in the retaliatory measure.

The legislature then passed a motion initiated by Wang asking Economic Minister Vincent Siew [Hsiao Wang-chang] and Director General Sheu Ke-sheng of the Board of Foreign Trade to report on what the government has done to protect intellectual property rights over the past two years.

Meanwhile, the Wisdom Coalition, the ruling Kuomintang's largest faction in the Legislative Yuan, asserted that the ROC should suspend preferential treatment for the U.S. concerning agricultural imports into Taiwan and U.S. participation in the Six-year National Development Plan.

But the KMT faction also urged the government to step up protection of intellectual property rights, and called for the judiciary system to reinforce crack downs and penalties on related violators.

Most lawmakers shared the view that they were accelerating deliberation of the revised Copyright Law not to please the U.S. but to protect the interests of the local copyrights owners.

In related news, the Government Information Office and the police yesterday started island-wide clamp downs on illegal videotapes at MTV houses.

In response, around 80 percent of MTV dens in Taipei decided to suspend their operations for a period.

Starting next week, an anti-counterfeiting committee under the Ministry of Economic Affairs will stage crack downs on underground manufacturers of pirated videotapes and laser discs.

The Board of Foreign Trade and other related government units will inspect exports of locally-made computer products, compact discs and films to prevent pirated products from being exported.

The efforts are designed to convince the U.S. trade office of Taiwan's determination to protect intellectual property rights so that it can remove Taiwan from the "priority foreign countries" list after completing a six-month investigation of the island's intellectual property rights protection practices.

Opposition to Renewing VRA Over Tool Exports

OW0605134792 Taipei Voice of Free China
in English 0200 GMT 6 May 92

[From the "News and Commentary" program]

[Text] The ROC [Republic of China] remains opposed to extending the already expired voluntary restraint agreement, or VRA, over machine tool exports to the U.S. Instead, the Board of Foreign Trade on Monday notified the U.S. that the nation will seek to regulate machine tool exports by imposing self-monitoring measures. The two sides had held three rounds of talks on the extension of the largely voluntary pact that expired at the end of last year, but to no avail.

The latest ROC refusal was in response to a recent written request of the U.S. Taiwan's machine tool manufacturers were greatly heartened by the government's decision not to renew the VRA with the U.S. A spokesman for the Taiwan Association of Machinery Industry said the U.S. request to renew the voluntary agreement makes no sense at all. In 1991, Taiwan-made machinery (centerics) in numerically-controlled list took only 4.66 percent in 3.25 percent of all such imports to the U.S. He cited statistics as indicating [sentence as heard]

Editorial on Pros, Cons of France's Mirage Deal

OW0605183092 Taipei CNA in English 1351 GMT
6 May 92

[6 May CNA EXPRESS NEWS Editorial: "Simple Mathematics"]

[Text] Taipei, May 6 (CNA)—France seems to be in an altogether unnecessary dilemma over whether or not to sell 60 Mirage 2000-5 fighter planes to Taiwan, according to an AFP report from Paris.

The report quoted an unidentified expert as saying France has reached a point where the deal could have disastrous consequences regardless of what decision Paris makes. France will be hated by Peking, if it sells the planes, and by Taipei, if it doesn't, the expert told the AFP.

That expert has to have his head examined. The 60 Mirages will earn France \$11 billion. The cash infusion is expected to boost, not in a small measure, the anemic French economy.

The sale, on the other hand, may lead Mainland China to cancel contracts that will cost France \$2.7 billion at most.

As a matter of fact, what the anonymous expert calls France's no-win position boils down to a problem of simple mathematics. Anybody who knows basic arithmetic knows the \$11 billion gain is much. Much better than a possible \$2.7 billion loss.

Of course we know international politics plays a part in France's decision on the Mirage sale to Taiwan. But the fact is that Paris has already offended Peking by selling six La Fayette class frigates to Taiwan for \$2.2 billion.

Even if Paris should decide not to sell the Mirages to Taiwan, Mainland China might retaliate by calling off

some or possibly all of the \$2.7 billion contracts. We do not think the new sale is going to add insult to injury.

Moreover, the Mirage sale, on the heels of the La Fayette deal, certainly will help France win major infrastructure contracts in Taiwan, including the Taipei-Kaohsiung high-speed railroad and a 1,000-megawatt nuclear power plant. The railroad project alone carries a price tag of \$20 billion.

A half-minute exercise in simple mathematics will solve France's question of whether it should sell the sophisticated warplanes to Taiwan.

German Delegation To Visit Taipei 7 May

OW0605162592 Taipei CNA in English 1511 GMT
6 May 92

[Text] Taipei, May 6 (CNA)—A four-member German delegation, led by State Secretary for Economic Affairs Dieter von Wurzen, will arrive in the Republic of China [ROC] Thursday for a three-day visit.

While in Taipei, the group will meet with Premier Hao Po-tsun, Foreign Minister Chien Fu, Economic Affairs Minister Hsiao Wan-chang, Transportation and Communications Minister Eugene Chien and other government officials.

The German visitors are expected to explore business opportunities under the Republic of China's \$300 billion, Six-Year National Development Plan, which has also attracted officials from other European countries to visit Taiwan.

Germany is the Republic of China's largest trading partner in Europe. Last year, two-way trade totaled \$6.88 billion, with a surplus of \$857 million in Taipei's favor.

Special Government Envoy Visits Seoul 6 May

OW0605162892 Taipei CNA in English 1517 GMT
6 May 92

[Text] Seoul, May 6 (CNA)—A special envoy of Republic of China [ROC] President Li Teng-hui arrived in Seoul Wednesday for a four-day visit aimed at consolidating Taipei's relations with South Korea.

Tsiang Yien-si, secretary general of the Presidential Office, told reporters at the airport that the Republic of China and the Republic of Korea have long maintained close and cordial relations, and he hopes his visit will help further strengthen their traditional friendship.

The Republic of China also expects to enhance economic and trade cooperation with Korea, he added.

Tsiang, who will call on South Korean President No Tae-u Thursday, said he will present a letter from President Li to the South Korean head of state.

The ROC envoy will also meet with Korean Prime Minister Chon Won-sik, Deputy Prime Minister and Economic Planning Board Minister Choe Kak-kyu, National Assembly Speaker Pak Chun-kyu and Foreign Minister Yi Sang-ok.

Accompanied by an eight-member party, which includes Vice Foreign Minister John Chang and Vice Economics Minister P.K. Chiang, Tsiang is expected to try to gain an "in-depth" understanding of how Seoul plans to handle its ties with Taipei while normalizing its relations with Peking [Beijing].

The visit came after South Korean Foreign Minister Yi Sang-ok made a trip to Peking where he met with Chinese Communist Premier Li Peng and Foreign Minister Qian Qichen. Reports said both sides agreed that there is a need to normalize bilateral ties.

KMT Chairman Li Concerned for Overseas Chinese

*OW0705090092 Taipei CNA in English 0754 GMT
7 May 92*

[Text] Taipei, May 7 (CNA)—Kuomintang [KMT] Chairman Li Teng-hui has always kept the well-being of Overseas Chinese in his mind, Tseng Kwang-shun, chairman of the Overseas Chinese Affairs Commission, said Wednesday at a KMT Central Standing Committee meeting.

Li has repeatedly said that Overseas Chinese has made great contributions to national reconstruction and that the relationship between Overseas Chinese and the Republic of China is "inseparable." Tseng pointed out in his report on Overseas Chinese affairs at the meeting.

Chairman Li has expressed grave concern over the safety of Overseas Chinese in Los Angeles, where more than 10 Chinese restaurants and stores were damaged in racial violence a few days ago, Tseng added.

The KMT Constitutional Reform Task Force has given priority to defending the constitutional rights of Overseas Chinese, he said.

Help Sought To 'Prevent' Mainland Stowaways

*OW0705084792 Taipei CNA in English 0735 GMT
7 May 92*

[Text] Taipei, May 7 (CNA)—The Straits Exchange Foundation (SEF) will ask Peking's Association for Relations Across the Taiwan Straits (ARATS) to help prevent mainland Chinese from smuggling themselves into Taiwan.

SEF Deputy Secretary General Shih Chi-ping said Wednesday that the number of mainland stowaways from Fujian has increased dramatically in recent months.

With the weather getting warmer, the number of captured mainland Chinese stowaways has increased from

more than 100 in January to over 600 in March. As of May 6, a total of 1,261 illegal immigrants have been arrested this year.

Shih noted that most of the illegal mainland immigrants came in organized groups from Pingtan area in Fujian Province opposite Taiwan.

Government authorities said that since the number of stowaways has reached an alarming level, SEF should remind the mainland authorities of the matter, Shih said.

Entry and Exit Bureau figures show that more than 1,000 illegal mainland immigrants are being detained in Ilan, Hsinchu, and Matsu.

Mainland Artificial Heart Scientist To Visit

*OW0705090292 Taipei CNA in English 0744 GMT
7 May 92*

[Text] Taipei, May 7 (CNA)—An official of the National Science Council said Wednesday that a mainland Chinese artificial heart specialist is expected to come here later this month to participate in medical research.

Qian Kunxi, 48, of Jiangsu, will take part in an artificial heart research program led by Professor Chu Shu-hsun of National Taiwan University.

Qian began his artificial heart studies in 1981 at a university in Berlin. He has continued his research work in both Germany and Mainland China.

Qian has published more than 50 reports on mechanical hearts. He will be the second mainland Chinese scientist to work in Taiwan.

The first is Guan Weiyan, former president of the University of Science and Technology in Anhui Province. He came to Taiwan last October to participate in superconductivity research at National Tsing Hua University.

KMT Heads View Constitution Amendment Proposals

*OW0605231792 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
4 May 92*

[From the "Hookup" program]

[Text] A meeting of high-level party and government leaders held by Li Teng-hui, chairman of the ruling party, yesterday [4 May] discussed the revision of the constitutional amendment proposals by the National Assembly group. The meeting adopted a resolution on making nine of the 21 amendments proposed. Compared to the amendment proposals of the third plenary session of the Kuomintang [KMT], the revised proposals deal with additional amendments concerning the power of the chief justices' conference in resolving political parties, articles on universal medical insurance, and protection of the status of women. The meeting rejected all the proposals concerning expanding the authority of the

National Assembly, such as establishing posts of speaker and deputy speaker of the National Assembly, and making the National Assembly and the Legislative Yuan examine each other's budgets. The aforesaid resolution will be submitted to tomorrow's central executive committee meeting of the ruling party for further discussion and decisions.

One of the two important amendment proposals made by the KMT National Assembly group calls for a unified system of the police administration; however, it was rejected because most of the high-level officials present at the meeting considered it inappropriate. Because the meeting could not reach an agreement on the other proposal, which calls for a written guarantee to protect the political status and rights of Chinese nationals residing abroad, the proposal has been temporarily shelved, pending discussion at tomorrow's central executive committee meeting.

After a meeting last night, the National Assembly group of the ruling party demanded through express mail that all KMT deputies provide all-out support to the nine amendments as soon as they are adopted by the central executive committee meeting, and they are not permitted to support any other proposals. At yesterday's meeting, the high-level party and government policy-making leaders of the ruling party held their first formal discussion since the KMT third plenary session on the constitutional amendment proposals for the provisional meeting of the Second National Assembly. The results of the discussion at tomorrow's central executive committee meeting are still uncertain; however, once the proposals are adopted by the central executive committee meeting, they will become the final constitutional amendment proposals of the ruling party for the National Assembly's provisional meeting.

KMT Wants To Create Constitutional Court

OW0705075492 Taipei CNA in English 0739 GMT 7 May 92

[Text] Taipei, May 7 (CNA)—The Kuomintang Central Standing Committee Wednesday proposed to establish a "constitutional court" which would have the right to dissolve a political party for taking unconstitutional acts.

The committee made the proposal in order to solve the question of who has the right to dissolve a political party. The court would be headed by a grand justice.

The right currently lies in a cabinet committee called the "Political Party Screening Committee," which has been criticized as an illegitimate organization.

The KMT Central Standing Committee approved the "latest version" of the ruling party's proposal to amend the constitution.

The new version proposes that a political party should be judged "unconstitutional" if its professed purposes or

manifest actions "endanger the existence of the Republic of China [ROC] or the ROC's free and democratic constitutional order."

The committee urged all KMT National Assemblypersons to support and pass the proposed amendment before the end of May.

DPP Asks To Negate Amendment Proposals

OW0605211992 Taipei CHINA POST in English 1 May 92 p 16

["DPP Tries To Negate Amendment Proposals"]

[Text] Opposition deputies yesterday called on the National Assembly to invalidate all constitutional amendment proposals that had passed the first reading.

During one of the day's meetings, which by chance were all chaired by members of the main opposition Democratic Progressive Part (DPP), Assemblyman Tsai Wen-pin ruled that all previous voting on the proposals at the first reading was invalid.

Tsai pointed out that many of the DPP proposals that were endorsed by at least 81 deputies each were vetoed by less than 80 ruling KMT assemblymen.

According to the assembly's meeting regulations, the first reading sessions require a quorum of one-fifth of the entire 402 assemblymen, and half of the attendance is required to veto constitutional proposals.

Tsai said that it was ridiculous that about 40 deputies would vote down a proposal signed by more than 80 deputies.

Several DPP proposals were voted down by KMT deputies during the opposition members' 13-day boycott of the assembly to protest the ruling party's slowdown of political reform.

KMT deputies, however, argued that Tsai was only allowed to make decisions on the proceedings of the meeting, not on decisions made during previous meetings.

The meetings were interrupted several times due to heated debates between deputies of both parties.

During one point, an aboriginal deputy sang aloud folks songs and another deputy, who is a Buddhist monk, chanted out his religion's classics.

DPP Deputies Walk Out of Assembly Meeting

OW0605121092 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 4 May 92

[From the "Hookup" program]

[Text] The National Assembly group of the Democratic Progressive Party [DPP] announced yesterday [4 May] afternoon that they have walked out of the provisional

meeting of the assembly. They pointed out in their statement that the ruling party is deliberately suppressing the DPP's constitutional amendment proposal, making it impossible for the DPP to play any role in the provisional meeting; and the walkout is the only choice. They also said, however, that they will strive to promote constitutional reform in a peaceful way.

Both the ruling party and the National Assembly expressed regrets over the DPP's walkout. The National Assembly group of the ruling party emphasized that it will continue to exchange views with the DPP and urge the DPP deputies to return to the provisional meeting and take part in the constitutional amendment. A report by (Kang Yu-feng) follows:

[Begin Kang Yu-feng recording] During the proposal-examination meeting this morning, the National Assembly group of the DPP clashed with the deputies of the ruling party over whether the meeting should stop discussing the proposals and put them to vote. The DPP group held an emergency meeting at noon and decided to walk out of the provisional meeting. In the afternoon, they formally announced the walkout at a press conference. The principal cadres in the DPP group pointed out in their statement that the ruling party voted down the DPP proposal in a [word indistinct] manner in violation of the rules of procedure in the morning session, and it continues to suppress other proposals of the DPP, making it impossible for the DPP to argue and express people's aspirations. The DPP thinks that it is unable to play any role in the provisional meeting and a walkout was the only choice. They did say, however, that they will continue to promote constitutional reform in a peaceful way after the walkout. (Tsai Shih-yuan), chief secretary of the National Assembly group of the DPP has the following to say: [end recording]

[Begin Tsai Shih-yuan recording] During the meeting, I was not given a proper chance to express my views and arguments. They did not let different opinions be presented for people to compare. After walking out of the provisional meeting, the DPP will continue its efforts to attain its original objective of peaceful reform. We believe that Taiwan can be reformed in a peaceful way. [end recording]

[Begin Kang Yu-feng recording] Both the ruling party and the National Assembly expressed regret over the DPP's walkout. (Chu Sheng-yeh), responsible person of the Yu-liang sub-group of the National Assembly group of the ruling party, emphasized that the ruling party's group will continue to exchange views with the DPP and ask the DPP deputies not to walk out. [end recording]

[Begin Chu Sheng-yeh recording] Although we regret their walkout, we do not give up our hope that they will

return to the meeting. [Words indistinct] there is still a chance. We will take the initiative in consulting them. [end recording]

[Begin Kang Yu-feng recording] Since the DPP decision was not made by all the members of its National Assembly group, the group will hold a plenary meeting on Wednesday to reaffirm the decision. This is a report by China Broadcasting Corporation reporter Kang Yu-feng from the Chungshan Hall in Yangmingshan. [end recording]

DPP Returns to National Assembly, Starts 'Row'

*OW0605211892 Taipei CHINA POST in English
30 Apr 92 p 16*

["Opposition Back To Assembly, but Starts Row Over Proposal"]

[Text] After a two week absence, deputies from the main opposition party returned to the National Assembly, but disrupted the session by protesting the assembly's attempt to expand its power.

Spreading banners that read "catch the demons" the Democratic Progressive Party (DPP) deputies accused the assembly of attempting to expand itself into what observers describe as a "monster parliament."

The 74 DPP deputies had threatened to withdraw from the National Assembly to protest against the ruling Kuomintang (KMT)'s reluctance to introduce major constitutional reform, including direct presidential elections.

They had been absent from the assembly for 13 days, during which they joined their party's four-day sit-in outside the Taipei Railway Station to press for the direct vote.

During their absence, KMT colleagues passed the first reading of four proposals that allow the assembly to become a standing branch of Parliament.

The proposals also allow the assembly to screen government budgets, which is currently the responsibility of another branch of Parliament—the Legislative Yuan.

The move has encountered bitter protest from both ruling and opposition lawmakers who claim the island will plunge into political chaos if the assembly's proposals are realized.

"We (assemblymen) will soon be condemned by all the people," said DPP deputy Chang Hun-hong while addressing his KMT colleagues, who dominate over three fourths of the two assembly seats.

KMT assembly whip Hsieh Lung-slieng said he regretted that the DPP deputies returned only to stage boycotts.

Meanwhile, representatives of the DPP deputies held a talk with KMT counterparts over demands for direct presidential elections.

No conclusion was reached. The DPP had threatened to pull its deputies out of the assembly if the KMT fails to agree to introduce direct vote this year.

"We will hold another round of talks," KMT deputy Chou Sheng-yen said after meeting the DPP representatives.

Concurrently high-ranking KMT officials invited their party's leaders at the National Assembly and the Legislative Yuan to a meeting in a move to ease the tension between the two bodies.

Both KMT whips Hsieh Lung-sheng and Wang Chin-ping of the assembly and the Legislative Yuan respectively said they were willing to solve the problem and would convey the party's worries to their colleagues.

KMT spokesman James Chu said that his party would not support constitutional amendments at neglect the public's welfare.

Chu added that the controversial proposals have yet to pass the second reading.

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DATE FILMED

8 May 1992

